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Food Prices Soar in China, Threatening Social Unrest

Costs in Largest Cities Rose 27% Last Month in Blow to Inflation Fight

By Kevin Murphy

HONG KONG - Despite China's empaign to rein in inflation, urban consumer prices are escalating at a 27.4 percent clip, the government reported Tues-day, raising fresh doubts that Beijing can stem rising food costs before they threaten social stability.

Just last month, Prime Minister Li Peng declared that fighting inflation was the government's top priority, and other offi-cials have insisted they were making pro-

But the government's report of economic figures for September in 35 big cities provided little evidence that the spiraling cost of living would slow anytime soon.

Food prices rose at a particularly rapid pace. Grain soared 63 percent in September compared with a year ago. In August, grain climbed 60 percent from a year earli-

Fresh vegetables, the particular target of recent government efforts to limit price increases, also were more expensive in September, rising 55 percent, compared with a 49 percent increase the previous month,

Beijing is worried that the rising prices for basic foods could spark social instability of the sort that contributed to the prodemocracy protests that were put down by military force in June 1989.

Retail prices, which are consumer prices excluding services, rose 24.6 percent compared with a year ago, after a 22.6 percent hike in August.

Qiu Xiaohua, chief economist of the State Statistical Bureau, blamed the price increases on higher costs for farmers, natural disasters that damaged agricultural output and a devaluation of China's cur-

"But that doesn't mean I am optimistic about inflation," Mr. Qui said, according to a Bloombeig Business News report. "We should adopt effective measures to

See CHINA, Page 4



Israeli explosives experts clearing mines Tuesday in a no-man's-land along the border with Jordan near Eilat. The accord is to be signed on the border next week.

Assad Assails Pact, but Will Not Make a Big Fuss'

By Michael Georgy New York Times Service

CAIRO - President Hasez Assad of Syria condemned the draft peace agreement Tuesday between Israel and Jordan and said Jordan committed blasphemy by agreeing to lease part of its land back to

But Mr. Assad said Syria would not try to obstruct peace between Israel and its Arab neighbors. "We have told them you - peace-talks. have made a big mistake but we will not

Top Yeltsin Aide

Denies Quitting

report does not correspond to reality."

Page 10.

ing with President Hosni Mubarak of Egypt. "We consider it would be blaspbemy for any country to speak of renting its land to Israel." Under the terms of the draft treaty ini-

tialed Monday, Jordan will take back land occupied by Israel in 1967 and then lease ome of it to Israel.

The agreement has effectively under-mined Syria's stance in the Middle East

"Nobody wants to isolate Assad," said a "Our land is ours," be said after a meet- in the driver's seat one or two years ago. | Israeli and Jordanian negotiators met in Clinton. (Page 2)

some control now that Israel and Jordan

Negotiations between Israel and Syria have been deadlocked over the extent of an Israeli pullout from the strategic Golan Heights. Mr. Assad said he and Mr. Mubarak discussed Secretary of State Warren M. Christopher's recent attempts to find a compromise. But Mr. Assad suggested no breakthrough had been reached.

The Associated Press reported from Jeru-

He is still very important but he bas lost the Red Sea port of Aqaba to settle fine points left open in the accord, including demarcation of borders as well as transportation and customs arrangements.

The draft agreement, which would end years of conflict between Israel and Jordan, was reached after a grueling allnight session that resolved long-standing disputes over water rights and borders.

It was expected to be ratified quickly by the countries' legislatures and signed Oct. 26 on the Jordan-Israel border in a cere-

Clinton Hails Nuclear Pact As 'Good for The World'

North Korea to Freeze Its Energy Program And Permit Inspections

Compiled by Our Staff From Dispatches WASHINGTON - President Bill Clinton said Tuesday that the U.S.-North Korean nuclear pact is good for the world and that his advisers have unanimously ap-

He said he had instructed his envoy to

sign the agreement.
"After meeting with my chief national security advisers, and at their unanimous recommendation. Pm instructing Ambassador Gallucci to return to Geneva on Friday for the purpose of signing an agreement," Mr. Clinton said in a briefing at the White House.

"This agreement is good for the United States, good for our allies and good for the safety of the entire world," he said of the pact worked out by Robert L. Gallucci with Pyongyang's envoys in Geneva.

South Korea and its Asian neighbors

were upbeat about the agreement, and Seoul began preparations Tuesday for re-suming political dialogue and business re-lationships with its Cold War enemy. (Page 4) North Korea's chief negotiator in the

talks, Kang Sok Ju, said earlier in Geneva that the agreement "will certainly make a significant contribution to greater peace and security in Asia and the rest of the

The pact basically would lead North Kores to cancel its present nuclear energy program, which the West suspects of masking a weapons production effort, and replace it with new, safer technologies provided by the United States and its allies.

"North Korea has agreed to freeze its existing nuclear program and to accept international inspection of all existing facilities," Mr. Clinton said. "This agreement represents the first step on the road to a nuclear-free peninsula.

He said the accord also called for an easing of trade restrictions on North Korea and would move Washington and its longtime enemy, the world's last major Stalinist state, toward more normal rela-

Mr. Clinton said the two nations had agreed "to move toward establishing liaison offices in each others' capitals."
"These offices will ease North Korea's

isolation," Mr. Clinton said. He called the entire pact an important step "toward drawing North Korea into the global com-

U.S. officials said the complex deal reflected an abrupt about-face by North Korea's communist leadership, in which it had accepted a series of U.S. demands that

it had earlier judged unacceptable. But the officials acknowledged that the Clinton administration had also smoothed the road to an agreement by allowing Pyongyang to defer compliance with some of the U.S. demands. North Korea will retain for a time some of its nuclear weapons-grade materials, giving it leverage to enforce U.S. compliance with the deal.

Mr. Gallucci said a consortium of nations would spend roughly \$4 billion over the next 10 years to provide North Korea with one 2,000-megawatt light-water reactor or two 1,000-megawatt reactors.

The reactors, which produce far less plutonium than the graphite reactors un-der construction in the North, would ensure that the country's energy needs are met. In the 10-year interim, the United States will help provide the North with heavy oil for power plants, Mr. Gallucci

Mr. Gallucci said that no significant components for the new light-water reactors would be provided to North Korea until inspections were made at the two storage facilities that so far have been closed to monitoring.

Mr. Gallucci defended the agreement's

delay in forcing North Korea to open up two waste facilities to international inspectors — facilities that could hold the key to determining whether Pyongyang has a nu-clear bomb. He said it would probably be five years before those waste areas are

Technically, learning about North Korea's nuclear past can wait that long, he said. In the meantime, he said, North Korea had agreed to freeze those portions of

See KOREA, Page 4

Balladur Image Jolted by Probes And Infighting

By William Drozdiak

Washington Post Service PARIS - Only a month ago, the presidential fortunes of France's prime minister, Edouard Balladur, looked unassailable. He was riding high in opinion polls, the economy was starting to perk up and wen his political foes admitted that he loomed as the most likely successor to President François Mitterrand, a Socialist.

But within a matter of weeks, Mr. Balladur has come close to being knocked off his patrician pedestal. His center-right government is being ripped apart by judi-cial inquiries and political intrigue, as cabinet ministers fight to stay out of jail or draw battle lines behind Mr. Balladur or his rival, the Gaullist party chief and mayor of Paris, Jacques Chirac.

Two ministers have resigned, under investigation on corruption charges, and four more are believed under investigation by prosecuting magistrates for "abusing the social trust." In addition, aides to the prime minister say they suspect the timing of the scandals and the forthcoming presidential campaign are not unrelated.

Alain Carignon and Gérard Longuet, the two ministers who stepped down, were close allies of Mr. Balladur's who were considered important to his strategy of grooming a new political coalition after the presidential election that could replace the old conservative parties. These parties are beholden to the ambitions of Mr. Chirac and the former president, Valery Giscard

Even though Mr. Balladur's personal See FRANCE, Page 4



FOCUSING ON THE ACTION — Military leaders from the nations of the Five Power Defense Arrangement — New Zealand, Australia, Singapore, Malaysia and Britain — monitoring alliance maneuvers Tuesday in Singapore.

With Truce, an Eerie Normalcy Takes Hold in Belfast

By John Darnton

sian television station.

Book Review

Crossword

New York Times Service
BELFAST — Since midnight on Thursday, when a full cease-fire descended on both the Protestant and Catholic sides, Belfast has been quiet.

It's an eeric feeling for people who had developed techniques for survival, like checking the undercarriage of the car for a bomb before turning on the ignition or looking for strangers before stepping out of a doorway, which, after 25 years of sectarian strife, became as natural as tics. The police report that there has been no

political violence since the Protestant sion became a minor perk of "the Trouparamilitary groups announced their bles." cease-fire to match one declared by the Catholic Irish Republican Army on Sept. 1. The "incidents room" of the Royal Ulster Constabulary, normally buzzing with activity, has been virtually shut down.

Normalcy comes in small ways. In Falls Road, a Catholic section of West Belfast, people are even joking that they may soon have to pay the license fee of about \$120 for each television set,

Up to now inspectors found it too dangerous to enforce the law, so "free" televi-

But the ritual of transportation, which can be bewildering to an outsider, has not changed. On Castle Street, there is a muster point for large black taxis, but they go only into the Catholic area. Farther on, along North Street, are the Protestant taxis for the Shankill Road area. Roaming the streets are radio cabs for the "mixed" areas, but these cannot be flagged down.

"Nobody hails a cab in this town," said Martin O'Brien, a worker with the civil rights organization called Committee for

drivers have died by going into the wrong areas. That's not going to change for a long

A spot check of drivers suggested he was right. "No way I'm going to the Shankill," said a Catholic driver, Tom, who was reluctant to provide a surname. "Even if they don't shoot you, they'll still go at you with baseball bats."

The last incident of note in the police log happened at 8:30 P.M. on Thursday. It was a kneecapping carried out by See ULSTER, Page 4

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Gangsters Have Their Hands Deep in Japan's Financial Pockets

By James Sterngold
New York Times Service

TOKYO - Few in Japan had heard of Gifu Shogin. a small credit association about 300 kilometers west of Tokyo, before the Japanese government forced it to merge with another local financial institution several months ago.

But then a stunning fact was disclosed: Of Gifu Shogin's \$110 million in outstanding loans, about \$70 million worth was made to organized-crime groups or their affiliated companies.

As a four-year-long collapse of property prices takes its toll on lenders, the government has had to engineer a series of increasingly large rescues of ailing banks. But the bailout of Gifu Shogin may have said the most about the roots of the Japanese banking inductors are the problems in trying to industry's troubles, and the problems in trying to

Over the last several years, since the so-called bub-

ble economy of the 1980s burst and stock and property prices plummeted, evidence of heavy involvement of organized-crime groups with supposedly legitimate

companies has slipped out. This has been particularly true in the real estate business, where gangsters, known as yakuza, have long been used to muscle reluctant landowners into selling

parcels or to force tenants out of buildings. But several recent examples have made it clear that the ties with the yakuza were neither isolated nor short-term, and that they may be presenting one of the greatest challenges to bankers and government offi-cials struggling to restore the financial system's health.

Gifu Shogin became the first rescue in which Japanese police were called in both to guarantee the safety of the new executives and to help collect the bad loans. Most experts now expect cleaning up Gifu Shogin to

be long, difficult — and perhaps violent. "Gifu Shogin was, in one respect, a financial source

for organized crime," said Yoshio Aokawa, an official of Kansai Kogin, the credit association that undertook the rescue. "We agreed to the merger because it was our duty. But we are demanding assurances of our

In the most blatant sign of how bloody the prob-lems could become, Kazufumi Hatanaka, 54, manager of the Sumitomo Bank's Nagoya branch and a member of the board, was shot in the head, execution style, and died in front of his apartment on Sept. 14. The crime was a shock to a country where guns are almost completely unobtainable, except by gangsters.

Sumitomo Bank, one of the most prestigious banks in Japan, has had a string of problems that are believed related to gangsters, from firebombings to cut telephone lines. And Sumitomo is not alone.

"If you look at the evidence, it does seem to be a very prominent feature of the landscape with banking

institutions," said Alicia Ogawa, a banking analyst in Tokyo with Salomon Brothers Asia.

Raisuke Miyawaki, a former head of the organizedcrime division at the National Police Agency and now corporate adviser, said he believed loans to the

yakuza were at the heart of the bad-debt problem. "During the bubble years, companies became very nonchalant about organized-crime contacts, from top to bottom," he said. "All sorts of relationships were built up, not just in real estate."

In one case, Tomosaburo Koyama, vice president of Hanwa Bank, a regional institution, was shot and killed on his way to work in August 1993. No one has been arrested, but the police said they believed it was the work of professionals.

Several years ago, the chairman of Nomura Securities, the largest brokerage house in the world, ac-See CRIME, Page 4

Dead End for Iraq In Sanctions Battle

Amid Tremendous Hardship, Baghdad at Loss on Next Step

By Youssef M. Ibrahim
New York Times Service

BAGHDAD — Two weeks after it moved troops in the direction of Kuwait's border, Baghdad's gamble to lift the United Nations sanctions imposed four years ago appears to have backfired, painting the country into an even tighter corner with little room for diplomatic or military maneuver-

Iraq's hope that the hostility of the United States could be checked by countries such as France, Russia and China in the

NEWS ANALYSIS

UN Security Council has faded. The council voted unanimously Sunday to condemn Baghdad's actions, as it had done repeat-edly since Iraq invaded Kuwait in 1990.

The hope that a revived Russian diplomacy could come to the rescue also has collapsed. Within the Arab world, where Iraq found some support in the summer of 1990 when it moved its troops to annex Ku-

wait, there has only been, this

time around, silence or con-

demnation. Jordan, virtually Iraq's only link with the outside world, bas not only distanced itself from Baghdad, but King Hussein has also warned that he would side against Iraq if it attempted a military move against an Arab

country. By all accounts, the Iraqi population of 18 million is suffering from a catastrophic case of malnutrinon coupled with a breakdown of social and eco-nomic order because of the sanctions. But the trials of the Iraqi people have failed to cap-ture international compassion.

On Tuesday, it looked indeed as though Iraq has been left alone to lick its wounds. But it was far from clear what the government of Saddam Hussein could do to alter the situation.

Even a recognition by Iraq of Kuwait's integrity and international borders — a last card that Baghdad has been withholding — no longer seems enough to get the United States and its allies to relent in their pressure.

"Every time we comply with an item of the United Nations resolution, they come up with another argument to keep the low him. We will resist."

sanctions," a senior Iraqi offi-cial said. "I am persuaded we cannot do enough to get these sanctions lifted by the Security Council because the goal of the sanctions in the mind of the United States is to starve the Iraqis into rebellion against their government."

Asked what, then, Iraq would do, the official seemed at a loss for an answer, saying after a while: "America should change this vengeful attitude because it will result in a chaotic breakdown from which no one will benefit. Future generations of Iraqis will remember this."

The problem, however, is what to do to save this generation of Iragis from the tremendous suffering they are subjected to because of the sanctions.

On Monday, the government convened Parliament with the intent of officially recognizing Kuwait. But as the Security Council debate that followed the adoption of the resolution dragged on in New York, it became clear such a step would not be enough to move things off dead center. Finally, the Parliament adopted a resolution that said it would do anything the leadership and Presi-

dent Saddam agreed to do.

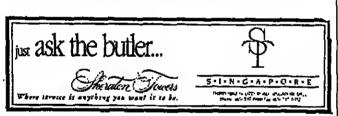
On Tuesday the Iraqi-controlled media were busy looking for silver linings, with headlines announcing that the "big crossing" toward an end of the hardships had begun. Yet, government officials were according. ment officials were conceding elsewhere that they are running out of ways to cope with the situation.

Last month, the meager ra-tions guaranteed to every citizen were cut in balf. Even before this they bardly fulfilled two-thirds of internationally recognized minimal nutrition

On Monday, the Iraqi trade minister, Saadi Mehdi Saleh, displayed the rations to which people are entitled now: a little rice, wheat flour, tea, sugar, cooking oil and detergent.

"This is the quota for a people who are living on a lake of oil, one of the richest people in the world," be said.

Wben asked wbetber be could see the connection between the embargo and the behavior of the Iraqi regime, he vigorously responded: "We all stand behind president Saddam Hussein and are proud to fol-

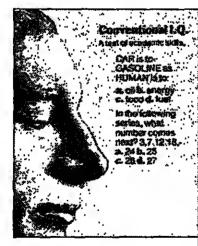


In this Thursday's

HEALTH/SCIENCE

The IQ Debate

ew books raise controversial issues about intelligence and class in America.







A U.S. Army officer reviewing plans Tuesday with allies for a military exercise near the Kuwait-Iraq border.

Mideast Peace: Now, It's Up to Syria

By Clyde Haberman New York Times Service
JERUSALEM — How

soon will Syria be next? Many Israelis asked that question after the initialing of a draft peace treaty with Jordan. Some asked it bopefully, others with dread, particularly those who are convinced that an agreement with Syria, with inevitable withdrawals from the Golan Heights, would be disastrous to Israeli security.

But for better or for worse, Israelis sensed that their deal with Jordan had put them closer to a settlement with Syria and, with it, comprehensive peace arrangements for the Middle East. Some offi-cials bere were already looking beyond their immediate neighbors and mentally ticking off agreements they expect to follow with Arab countries in northern Africa and the

"This will have to accelerate the pace with Syria - no doubt about it," said Deputy Foreign Minister Yossi Beilin. a leading Israeli dove and one who feels that time is running short to come to terms with Damascus.

The fact that the normally cautious King Hussein struck a deal with Israel on his own, just as the Palestine Liberation Organization had done last year, shows that Syria has lost its automatic veto over wbat other Arabs do. It presumably will feel increased pressure to pick up the pace of talks with Israel.

But that does not mean that President Hafez Assad will necessarily respond. He still considers himself the dominant figure in the Arab world and, as such, he remains the key to regional peace.

Indeed, some Israeli experts assume that King Hussein would not have taken this dramatie step unless he had been given a Syrian green light. It is likely be had "reason to assume that the Syrians are not far behind," said Asher Susser, a specialist on Jorda-

nian affairs at Tel Aviv Uni-If so, it raises another question: Could Israel's draft trea-

NEWS ANALYSIS

ty with Jordan serve as a precedent for one with Syria? Some Israeli specialists

were intrigued by provisions in the agreement giving Jor-dan sovereignty over small parcels of territory now in Israeli hands but leaving Israeli communities there intact while allowing them to lease moving too fast for some, and back the land for 25 years. In confusing ways,

Maybe, these experts said, Is-rael could get a similar deal on the Golan, which was cap-tured from Syria in the 1967 Middle East war.

Others brushed off that idea as wishful thinking. Mr. Assad, they argued, is not about to settle for anything less than the full return of the heights, and he will want the 13,000 Israelis there to clear

They see negotiations with other Arabs on fast forward - a self-rule deal with the Palestinians, interest offices with Morocco and Tunisia, now a treaty with Jordan to accompany one signed 15 years ago with Egypt. Why. they ask, does Mr. Assad seem stuck on pause?

Not all Israelis mind the slow pace. In fact, events are

The country is in a dark mood after a burst of anti-Israel terrorism, dominated by the kidnap-killing of a solby the kidnap-killing of a sol-dier last week. In one day, Sunday, a traumatized Israel went from burying the soldier, Nachshon Waxman, to watch-ing their leaders fly off to close the deal with King Hus-sein

It is not that Israelis oppose peace with Jordan. Quite the opposite. It is a popular concept bere, and the treaty almost certainly will sail through Parliament when it comes up for ratification.

But the jarring juxtaposi-tion of sudden death and peace is difficult for many.

"Some things are changing rapidly while others stay the same," said Sidra Ezrahi, a lecturer at Hebrew University, "It's a bit of a warp."

Clinton to Go 'Every Step of Way'

The Associated Press

WASHINGTON - Hoping for a measure of credit at a remarkable moment of peace, President Bill Clinton will go to the Middle East to witness the Israel-Jordan treaty sign-

He was invited to take part in the Oct. 26 ceremony by King Hussein of Jordan and Prime Minister Yitzhak Rabin of Israel, who called Mr. Clinton aboard Air Force One shortly after they announced the accord. The trip, Mr. Clinton's first to the Middle

East as president, follows a string of foreign policy successes: the showdown with President Saddam Hussein of Iraq, peaceful mili-tary intervention in Haiti and the announcement Monday of an agreement between the United States and North Korea over the Communist regime's nuclear program.
This series of accomplishments could give

Mr. Clinton and his Democratic Party a boost before the midterm elections, just shy of three

Mr. Clinton, whose diplomats have kept involved in the movement toward peace in the Middle East, promised to help Jordan and Israel on "a journey of peace that will bring them a bright future for generations to come."

"The United States has stood by them and worked with them, and we will stand by them every step of the way," he said.

The White House press secretary. Dee Dee Myers, said that details of the trip bad not been made final, but that she expected Mr. of days."

She said the president would visit U.S. troops in Kuwait while he was in the region. He also is expected to visit Jerusalem, according to an administration official.

Mr. Clinton called the initialing of the draft peace agreement on Monday "an extraordinary achievement," adding that "it must be welcomed by the friends of peace all around the world."

WORLD BRIEFS

Finns Find the Bow of Sunken Ferry

HELSINKI (Renters) — A Finnish search vessel on Tuesday found the bow door of the Baltic ferry Estonia, which sank in a storm on Sept. 28 with the loss of more than 900 lives.

An investigation panel made up of members from Finland Sweden and Estonia said the 55-ton door was about one nautical mile west of the wreck. Experts believe the bow door will help them establish hear it was form off in heavy seas, allowing was about one manufactured than establish hear it was form off in heavy seas, allowing was about one manufactured to the season of the season of

mile west of the wreck. Experts believe the bow door will help them establish how it was torn of in beavy seas, allowing water to flood in and sink the ship off southwestern Finland.

More than 1,000 people were aboard the ferry. More than 800 bodies are believed still in the wreckage, Ninety-three bodies have been recovered and only 137 people survived the sinking, one of the worst peacetime sea disasters this century. No decision has been made on salvaging the wreck.

Moscow Seizes Smuggled Uranium

MOSCOW (AP) — Police and counterintelligence agents confiscated 27 kilograms (60 pounds) of smuggled uranium-238 in the third such seizure in two months, a spokesman said Tuesday.

The radioactive material, intended for unauthorized sale, was

seized Monday in Moscow and a number of people were arrested according to a spokesman for the Federal Counterintelligence Service. It was not immediately clear where the uranium original ed and few other details were available.

The stolen material was not weapons-quality. Uranium-238 used to produce fuel for nuclear power plants, can be bought in Russia from authorized dealers and costs \$100 to \$200 a kilogram the authorities say.

Haiti Refugees Return in High Spirits

GONAIVES, Haiti (AP) - The first Haitian refugees to come back since President Jean-Bertrand Aristide returned to power, stepped off a U.S. Coast Guard cutter Tuesday in a jubilant mood."

The 505 refugees marched to City Hall in Port-au-Prince carrying a handmade banner that read, "Refugees from Guantinamo Bay present our thanks to the American people, President Clinton and his administration."

Italian Party Blackballs 11 Reporters

ROME (AFP) — Umberto Bossi ordered members of Parliament from his Northern League Tuesday to avoid all contact with 11 leading Italian journalists whom he accused of false reporting about the party. Mr. Bossi's party is a member of Prime Minister Silvio Beriusconi's rightist coalition.

The blacklisted reporters included the poblical correspondents of Italy's main dailies: the Corriere della Sera, its center-left stablemate La Stampa, the leftist la Repubblica and the rightist papers L'Indipendente and Il Giornale.

Corrections

Because of a technical error, a comment by the Philippines Central Bank governor, Gabriel Singson, regarding the country's economic recovery was incorrectly rendered in some weekend editions. Mr. Singson said: "In 38 years of banking, I've never seen anything quite like it, And I am confident it will be sustained."

The number of Eurotunnel shares ordered by Alastair Morton, the company chairman, was incorrectly reported in Tuesday's first edition. The correct number was 5,000.

TRAVEL UPDATE

Greek Airport Workers Set Walkout

ATHENS (Reuters) - Greek civil aviation employees plan a 24-hour strike on Wednesday that could affect both domestic and

international flights, their union said Tuesday.

The Confederation of Civil Aviation Service Unions, which has about 1,500 members, also said that further walkouts were being planned on Oct. 26 and 27 to protest the private status of a new international airport to be built near Athens. Wednesday's strike, which does not include air traffic controllers, is expected to affect all Greek airports.

Greek museum guards extended on Tuesday a strike that his closed the Acropolis for two weeks, despite appeals by the Culture Ministry to exclude Greece's most famous monument from their walkout

United Airlines announced Tuesday that it plans to suspend service between London and Scattle next April. The airline said the route is the weakest of those it obtained when it bought the operations of the now-defunct Pan American Work Airways. That will leave British Airways as the only carrier providing scheduled nonstop service between the cities. (AP)

Thai Airways International has resumed regular service to India. But it said it was taking strict precautions to prevent the spread of plague, including spraying passenger and cargo areas and having a Thai doctor check passengers boarding flights in India. (AFP)

Cathay Pacific Airways is increasing service to Seoul and Osaka, Japan, starting Oct. 30. The Hong Kong-based carrier will add a third daily flight to Osaka's Kansai Airport. Flights on the Seoul route will increase to three every day, up from 17 a week. (Reuters)

Food Aid Staffers Leave Mogadishu

Food Program said Tuesday threats against foreign workers. that all its international staff members had pulled out of against their lives.

the Umited Nations said the the city, a possibility if UN eight staff members left on Sat-forces leave.

Reuters urday after disputes with Soma-NAIROBI — The World lis over employment led to

Aid agencies in Mogadishu Mogadishu, the capital of So- are braced for demands from malia, because of threats Somali bandits, who are intent on wringing money from them The food aid organization of before the agencies abandon

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EU Chief Is Expected to Limit Turnover

By Tom Buerkle

BRUSSELS — Jacques Santer has decided to keep personnel changes to a minimum at the executive body of the European Union while reorganizing the bureaucracy's foreign portfolios along geographic lines, commission sources said Tuesday.

The decision will allow Mr. Santer, the president-nominee to the European Commission. to avoid the bloodletting that a

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(310) 471-0306 ed. 23 Fee: (310) 471-6456 Fax or send detailed resume (Pacific Western University 600 N. Sepulveda Blvd., Dept. 23 Los Angeles, CA 90049 major shake-up could provoke.

would return the commission to the nominees at a meeting in its traditional organization af- Luxembourg on Oct. 29, then ter a two-year experiment of approved by the European Par-dividing responsibility between liament later this year. But comforeign trade and political af- mission sources said it was confairs, but it is likely to create sistent with indications that Mr. some turf battles, sources said. Santer has given in meetings it also would be a blow for

efforts to create a common EU foreign and security policy, sources said, and acknowledges opposition from many national capitals to anything like an Union-wide foreign minister.

Maffuel Marin, the develop-ment commissioner that Spain has decided to keep in Brussels, said Tuesday that Mr. Santer, the prime minister of Luxem-It was the first time a commission nominee has elaimed to have won a specific portfolio.

Less foreign positical attairs. Sir Leon has taken the lead on the Union's policy toward the East and is fighting hard to retain

he sources said. fused to comment on portfolios,
A geographical structure which must be agreed upon by

with other nominees recently.

These include putting Sir Leon Brittan, currently trade commissioner, in charge of relations with industrial countries like the United States and Japan, as well as handling overall EU trade policy at the new World Trade Organization.

The most controversial change concerns Eastern Europe. Sources said Mr. Santer bourg, agreed at a meeting was expected to create a sepa-monday to give him responsi-bility for policy toward the Mediterranean region, Latin America and developing Asia.

Was expected to create a sepa-rate post for the region, proba-bly for Hans van den Broek of the Netherlands, who now han-dles foreign political affairs. Sir Leon has taken the lead on the

Aides to Mr. Santer have re- control, sources said, but the appeared unlikely. Mr. Santer needs to carve out

posts for new commissioners from Austria, Finland, Sweden and Norway, assuming all enter in January, while the anti-Union stance of the British Conservative Party to which Sir Leon belongs limits his political

clout Sources said Martin Bangemann of Germany looks set to keep most of his current turf as industry commissioner, as does Karel van Miert of Belgium at competition.

The economics portfolio was expected to be divided, with Mario Monti of Italy supervising macroeconomic policy and Yves-Thibault de Silguy of France houstline France handling preparations for a single European currency. Padraig Flynn of Ireland

currently in charge of employ-ment, is expected to head agri-culture, although Austria bid for the post for its farm minis-

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NASHVILLE, Tennessee Tennessee politicking sums up one of the paradoxes of this unusual election year: The economy is thriving, but Presi-dent Bill Clinton and the Democrats who support his economic program are getting no credit

The economy here is the strongest in the state's history. The unemployment rate, 4.7 percent in August, is well below the national level. More than 20,000 new jobs were created last year alone, and the economic research center at the University of Tennessee is forecasting 130,000 more by the end of next year.

more that the Athermatical field in An analysis last month in The Memphis Business Journal began this way: "As the state enters the middle 1990s, it finds perty Bran control and the party of the part itself riding a wave of economic success that is the envy of much of the nation."

But although Mr. Clinton carried the state in 1992, in large measure because of hopes that he could invigorate the economy, nearly two-thirds of Tennesseeans questioned in a recent poll said they disapproved of his performance in

Of more immediate significance, Senator Jim Sasser, who as chairman of the Budget Committee was instrumental in getting the Clinton program enacted last year, is running about even with a Republican challenger who has never before sought public office.

Mr. Sasser, who is trying for his fourth term and stands a good chance of becoming the Senate Democratic leader if reelected, does not even mention the economy in his television Workers Set Walk to advertisements or speeches, Instead, he concentrates on his advocacy of tough measures -against crime and illegal immi-'gration, his support for prayer in public schools and his poten--tial to use his seniority to bring

federal projects into the state. The situation in Tennessee and in the rest of the country runs counter to one of the con-ventional tenets of American politics: that a healthy economy... is good for incombents.

For the president, Mr. Sasser and their allies, these are anything but great times.
"The president's held in very

low regard around here," Mr. Sasser said. Asked why he does not talk more about the economy, the senator replied, "We don't feel that resonates."

No one seriously argues that the Clinton policies are largely responsible for the strength of the Tennessee economy. Many other factors, including the state's central geographic position, its low taxes and its low labor costs, have been much

more important.

But the prevailing view of economists and other authorities here is that the Clinton administration's policies have worked very much to the state's

Away

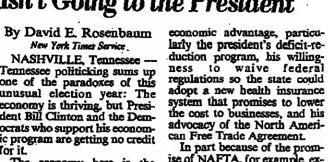
From Politics

After an outbreak of Legiou-maires' disease on the Celebrity Cruises ship Horizon between April and July in which one person died, U.S. health offi-cials in Atlanta said they will tighten guidelines on luxury liner hot tubs and whirlpool baths. The new recommendations from the Centers for Disease Control and Prevention may change industry standards for private hot tubs as well as those in ships, hospitals, nursing homes, hotels and health clubs. After U.S. postal authorities goofed, officials said they have received more than half a milan emission in the second of t lion orders for an erroneous U.S. stamp they are trying to keep from becoming too valuable. No more orders are being accepted and only about a third of those will be filled. The stamp honors a black cowboy, Bill Pickett, but mistakenly por-trayed Mr. Pickett's brother.

• Four U.S. prisoners on death row at the Indiana State Prison escaped from their cells Mon-day but were captured after exchanging shots with a guard, officials said.

 Another agricultural menace the entern fruit fly, was discovered in Pomona, California, as helicopters 90 miles away sprayed pesticide to rid the state of Mediterranean fruit lics, officials said.

• A body found two weeks ago in a wooded area of North Carolina was identified Monday as that of a 27-year-old tourist from the Czech Republic, Jiri Posmousny, shot in the back with a 12-gauge shotgun. No arrests have been made.



ise of NAFTA, for example, exports from Tennessee to Mexico increased almost 150 percent from 1991 to 1993. "Everybody should be proud

of Clinton's economic pro-gram," said Governor Ned McWherter, a popular Democrat who is retiring this year after two terms in which he concentrated on improving the business climate in the state. There is no question it's helping our economy. But across the state. Tennes-

seeans who themselves are doing very well disagree.

Mike Kitzmiller, a Cadillac dealer in Nashville who said his own business was the best it had ever heen, expressed what

seemed to be the public consen-

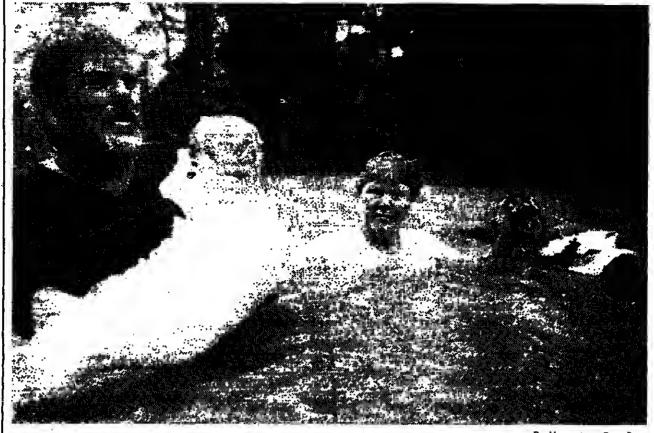
"The federal government," he said, "doesn't have a damn thing to do with the economy of

Mr. Sasser's opponent, Dr. William Frist, a 42-year-old heart and lung surgeon who first registered to vote six years ago, is basing his campaign on belief that most Tennesseans agree with Mr. Kitzmiller. Speaking of Mr. Clinton and

Mr. Sasser, Dr. Frist said: "The economy has gotten better on their watch. I'll grant them that.

But much more important, he said, was this: "People are mad at the present direction of the country. People are mad at welfare. They see help-wanted signs up all over Tennessee. And they are mad that people can make more money on public assistance. Mr. Sasser's main problem,

been in Washington so long he



TEXAS FLOODS KILL 7 — A Conroe, Texas, couple and their granddaughter fleeing flooding on Tuesday with the family dog. Much of nearby Houston shut down after about 20 inches of rain fell on southeast Texas in 36 hours.

Victim's Sister Decries Simpson Masks

By Kenneth B. Noble New York Times Service

LOS ANGELES — As jury selection in the murder case against O. J. Simpson continued, a sister of his former wife Nicole Brown Simpson has complained that people were trying to profit from her family's loss by selling Halloween masks portraying both the victim and the murder sus-

The sister, Denise Brown, said in a statement distributed to reporters that the Halloween costumes were in "extremely bad taste." She urged consumers and merchants to boycott them and related Hal-loween paraphernalia, such as knives, bloodied skirts and Afro and blond wigs. "It is a holiday where children dress up

and have a good time pretending to be someone else," she said. "This type of costume is in extremely bad taste and has no redeeming value for our society," she added. "Murder and do-mestic violence is no laughing matter, and the total disrespect for grieving families in

Dr. Frist said, is that he has general is appalling." After keeping silent, members of the has lost touch with Tennessee. Brown family have recently begun to speak about their feelings that they have been exploited by people trying to sensationalize and profit from their loss. Denise Brown's statement was distributed Monday by Human Options Capital Campaign Cabinet, an organization that helps victims of domestic violence.

Many stores reported that there had been little interest in the Simpson items. Phillip Reynoso, an employee at Halloween Castle in Los Angeles, said: "We did have a guy come here and offer some masks, and some people have been asking for them, but I didn't want to take them. I just wanted to give O. J. Sunpson a hreak.

But Victor Pahl, the manager of Ragztop-Vintage in Fullerton, California, told The Los Angeles Times that his store had sold 70 masks in the likeness of Mr. Simpson, as well as numerous football jerseys splattered with fake blood and blond wigs for women "wanting to dress up as Ni-

[Mr. Pahl said that he and the owner of the store had no intention of curtailing the Simpson line of Halloween gear, adding that Ms. Brown's plea did not faze them. In court Monday, two prospective jurors

were excused from the trial after voicing apprehension about the amount of attention the trial was receiving and the potential loss of their privacy.

One was the woman identified as Juror No. 32, who became well known because she was the first juror questioned during the preliminary phase of voir dire, the juror screening process, and because her court number is the same one Mr. Simpson wore on his football jerseys.

Asked how other people knew that she was a potential juror in the Simpson case, she said, "If people asked me directly, I'm not going to lie.

Also dismissed was a juror who said she had suffered domestic violence for many years and could not bear to be questioned on the subject. [Judge Lance Ito refused Tuesday to

throw out evidence or impose other sanctions against prosecutors for delays in DNA testing. The Associated Press reported. Reversing threats he made last week, Judge Ito rejected defense claims that prosecutors had acted in bad faith by waiting nearly three months to submit some of the evidence for laboratory testing.]

Vaccine Plan Failure: A Case Study of Ills **Facing Health Care**

By Amy Goldstein and Spencer Rich Washington Post Service
WASHINGTON — Two

weeks after the Clinton administration initiative guaranteeing immunizations for all children was supposed to have started, no vaccine has yet arrived in doctors' offices in half the

Even though the "Vaccines for Children" program was signed into law a year ago, neither federal officials nor those in 24 states have worked out a system for shipping the vac-cines to tens of thousands of physicians.

In Fehruary 1993, the immunization program was the first attempt by the fledgling Clinton administration to broaden the federal government's role in health through a promise of free shots for every child.

By the time it went into effect

this month, the idea — now vastly pared down to focus primarily on children who are poor and uninsured - had become an illustration of the federal government's difficulty in anging even only a small part of the nation's health care sys-

Nearly everyone who has had anything to do with the initiative has a different explanation for its slow start. The administration's initial,

\$1 billion plan was too hroad and ill-conceived, according to Senator Dale Bumpers, Democrat of Arkansas, and other members of Congress. Some members complained

that the president's initial proposal called for spending federal money to vaccinate children whose families had good health insurance or could afford to pay for shots. More fundamentally, some in

Congress and in the medical community questioned whether the program would work. They contended that the real problem was not the cost or

always been available without charge in public clinics - but the idea, arguing that it would force them to sell virtually all their vaccines to the government at a discount.

Pamela R. Adkins, a spokeswoman for Merck & Co., said the drug company usually sold half of its vaccines to the government at a 50 percent discount, offsetting that reduction through its prices in the private

Once the program was passed, the General Accounting Office questioned the administration's plan for getting vaccine to doctors — a central warehouse in New Jersey to be run hy the General Services Ad-

Some doctors have complained that the plan became more cumbersome and complex as Congress cut back its scope. Participating physicians, for example, have to keep the vaccines they receive from the program refrigerated separately from other vaccines.

According to some doctors and state and local health officials, the program's start-up delays have damaged its chances of success.

Donna E. Shalala, secretary of the Department of Health and Hnman Services, said: "Quite frankly, we are not as far along as we'd like to be at this point. We are going to keep working until it is fully operational nationwide."

The program's start-up difficulties are particularly striking because, unlike the case with national health reform, there is virtually unanimous agreement that all children should be immunized.

Immunization protects children from polio, whooping cough, measles and other diseases that afflicted earlier generations in the United States, It is one of few preventive health strategies proven to be cost-sav-

Even so, one-third of U.S. supply of vaccine - which has children have not received the traditional shots recommended by age 2, including as many as the failure of some parents to 70 percent of children in some take their children to get shots. poor, urban neighborhoods, ac-Drug manufacturers resisted cording to federal figures.

A Clinton Side Trip to the Heart

ALBUQUERQUE, New Mexico — President Bill Clinton flew west to Albuquerque to give a speech to police chiefs about crime. But hy its end, he had instead spun an angry sermon on the nation's duty to a generation of children whose hearts, he said, are being 'turned to stone" by violence and neglect.

Asked if the president had straved from his prepared text, the White House press secre-tary. Dee Dee Myers, replied, "He sure did." But hardly anyone seemed displeased by the side trip, which showcased Mr. Clinton in the role he plays best: a preacher, orating with passion on an issue that engages him.

Mr. Clinton came to speak to a meeting of the International Association of Chiefs of Police about the new anti-crime legislation. But weaving through the remarks was a theme about how "random violence among young people, people under the age of 18, is going up dramatically." By the time Mr. Clinton said, "I'd like to end today," it had so seized him that he went on for perhaps another 10 minutes. (Michael Wines, NYT)

Issues of Girth and Good Looks

WASHINGTON --- If a woman were running, no candidate would dare question her appearance, but when the subject is Senator Edward M. Kennedy, Democrat of Massachusetts, or the Alaska Democratic gubernatorial candidate. Tony Knowles, looks are fair game. And for opposite reasons.

Mr. Kennedy's campaign accused the Re-publican challenger, Mitt Romney, of being "the king of cheap shots" for a television spot that shows the 62-year-old senator and his ample girth slowly settling on a park bench.
"I know Mitt is the perfectly coiffed candidate, but there must have been one time in his life when he had a zit like normal people do," a Kennedy spokesman, Rick Gureghian,

Then there is Jim Campbell, the Republi-can candidate for governor of Alaska, a 62-

year-old balding man of Kennedyesque stat-ure. He is running against Mr. Knowles, 51. the former mayor of Anchorage, described by the Reuters news service as "tall, athletically lean and photogenic."

In Republican radio ads, an announcer notes that President Clinton's looks attract women. "And then I noticed — Tony Knowles — tall, shy smile, good hair, same thing with the women. But it doesn't stop there," an announcer says, adding that both Democrats have imposed new taxes and environmental restrictions. "Coincidence?" the ads say, "Or is this always the way it is when a guy's handsome and has good hair?"

Backers of Mr. Knowles were furious. They said the ads imply that Mr. Knowles is a philanderer. (Bill McAllister, WP)

Democrat Keeps His Distance

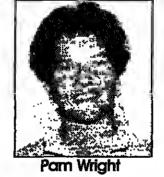
WASHINGTON - Thomas Jefferson, he's not, but Representative Paul McHale, Democrat of Pennsylvania, has issued his own "Declaration of Independence" to show he is not the captive of President Clinton that his Republican opponent portrays. In all, Mr. Hale said he counts at least 17 major issues on which he has broken with the president or the House Democratic leadership.

Mr. McHale said that his declaration had nothing to do with the "infamous morphing commercial" that his Republican opponent, James Yeager, has starting running. The ad shows Mr. McHale's face becoming that of the president.

Quote/Unquote

President Clinton when asked Tuesday how he keeps his hopes up in tough times: "I tell our staff all the time, when things get really rough around here because of the poli-tics, that it's not important every day what ordinary Americans think about us, but it is important that we think about ordinary Americans every day and that we just keep our vision alive and I work on it." (AP)





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Perry Pitches Openness to China Military

By Michael R. Gordon

New York Times Service BEIJING - In a rare address to Chinese military officers, Defense Secretary William J. Perry urged China's armed forces to be more open about its budget and planning to ease concerns about its buildup.

"Your capabilities in all areas, including the military areas, are growing by the day," Mr. Perry told 300 Chinese colonels and generals. "ft would be military band in gleaming white helpful if your defense budget and strategic planning were more open and visible to the outside world."

China's efforts to strengthen its armed forces bas led to worries that Beijing might use its military to bully its neighbors and support its territorial claims in the South China Sea.

Aides to Mr. Perry reported that the Chinese had agreed to send a team of military officials to the Pentagon to outline their military plans until the year 2000, as part of a reciprocal

was not clear just how forthcoming Beijing was prepared to that an arms race hetween Pakibe about the areas of concern stan and India could lead to a

cited by Mr. Perry: China's actual level of military spending, southern border. tual level of military spending. its military strategy and its

plans to upgrade its weaponry. As the first American defense secretary to visit China since the 1989 crackdown on the de- to eschew inflammatory statemocracy movement, the simple fact that Mr. Perry was speaking to the officers was itself something of an event.

As he arrived at the National Defense University in Beijing, a uniforms struck up "America the Beautiful."

A large Red Star, the emblem Army, dominated the room as Mr. Perry spoke to a crowd of officers dressed in green uniforms with yellow epaulets.

Mr. Perry made his case for closer ties between the U.S. and stability in the western Pacific. He said China needed to do

more to restrain its sales of misinformation exchange.

But the U.S. officials said it ogies. Alluding to Chinese arms deals with Pakistan, he warned

Mr. Perry also warned that a nuclear-armed North Korea would be a menace. And he said that China and Vietnam needed ments and military deployments designed to reinforce their territorial claims in the South China Sea.

His mention of buman rights, however, was brief and somewhat indirect. Mr. Perry said that the failure to make progress in this area would give ammunition to critics of miliof the People's Liberation tary ties between Washington and Beijing.
Then, he took questions for

about an hour from the Chinese officers. At the end of the event. General Zhu Dunfa, the president of the Defense University, Chinese militaries, saying that said that Mr. Perry had given a Washington and Beijing bave a speech of "great significance," special responsibility to ensure raised his hands and gave a hearty applause. The officers quickly followed suit.

Mr. Perry's speech was one of the high points of his three-day visit to China, which was to end Wednesday with visits to Wuhan and Chongqing and a meet-ing with President Jiang Zemin.

warm reception Mr. Perry received from the Chinese military stood in marked contrast to his meeting Tuesday morning with American business representatives,

During the meeting, arranged the American Chamber of Commerce, they expressed little interest in the military issues Mr. Perry said were important for the future of the region and complained that Washington was not doing enough to help American companies do business in China.

But in Washington, Mr. Perry's military talks have attractmore interest.

Mr. Perry sought to deal with the criticism by underscoring the potential benefits for American security of dealing with the Chinese, while playing down expectations for immediate re-

Describing the overall progress in the talks as "modest," Mr. Perry said the Chinese appeared sensitive to American concerns. But he added: "The value you can put on those steps needs to be seen yet.



General Zhu Dunfa ordering the band to play Wednesday in Beijing at a welcoming ceremony for Mr. Perry, right.

After Pact, Seoul Readies for Dialogue With North | U.S. Military Team to Mediate

By Andrew Pollack New York Times Service

TOKYO - Taking advantage of the new agreement aimed at halting North Korea's suspected nuclear weapons development, South Korea hegan preparations Tuesday for resuming political dialogue and busi-ness relationships with its Cold War

"A turning point bas been reached for South and North Korea to seek reconciliation and cooperation," President Kim Young Sam said in a speech read to the National Assembly in Seoul by Prime Minister Lee Yung

Officials and press reports in Seoul said the government was expected to relax restrictions soon on travel by South Korean businessmen to North Korea and on investments in the Communist nation,

Government officials concerned with North Korea met Tuesday to discuss those and other measures, including possibly reopening discussions with Pyongyang on denuclearization and economic cooperation.

[North Korea's chief negotiator in the talks with the United States, Kang Sok Ju, said Tnesday in Geneva that the agreement "will certainly make a more exchanges and more dialogue in

significant contribution to greater peace and security in Asia and the rest

of the world," Reuters reported.]
The apparent softening in what has been South Korea's recent hard-line stance against the North followed the announcement late Monday in Geneva that Washington and Pyongyang had reached an agreement that would freeze North Korea's suspected nuclear weapons program and provide for a resumption of international inspecuons of its nuclear installations.

Officials in South Korea and Japan. the two countries that are expected to pay the bulk of the \$4 billion for two light-water reactors for North Korea, welcomed the agreement Tuesday, al-though they said it did not contain everything they had wished for.

In particular, since they are within North Korea's firing range, South Ko-rea and Japan are keenly interested in knowing as soon as possible whether the Communist regime already has nuclear bombs. But under the agreement, inspections that could belp answer that question might not take place for several years.

"With the realization of the agreement, the nuclear issue will cease to be a major roadblock, and we can expect

due course," Han Sung Joo, the South Korean foreign minister, said at a news conference late Tuesday in Seoul. He said talks could resume before the end of the year.

Still, officials and analysts in Tokyo and Seoul said restoration of relations would proceed cautiously, step by step, and would depend on North Korea's carrying out the accord.

Moreover, although South Korean officials say they are ready to talk to the North, it is not evident that the feeling is mutual. Pyongyang clearly is more interested in establishing economic and political ties with Washington while cutting Seoul, which it brands an American puppet government, out of the picture.

"North Korea's basic strategy is they don't want to talk with South Korea," said Cba Young Koo, senior research fellow at Korea Institute for Defense Analysis in Seoul. "They need an enemy, still, for the stability of their regime."

The agreement reached in Geneva calls for a resumption of North-South dialogue, something that South Korea had insisted on but that North Korea had vigorously resisted. But it is not clear yet how strong and specific that

South Korean officials, anxious to sell the agreement to a skepucal public, released some details that painted the pact in the best possible light. Still, it was clear that South Korea was not completely satisfied.

The agreement also is apparently vague on which nation will provide the two 1,000-megawatt reactors, sav-ing only that the United States will make the arrangements. However, Mr. Han saio South Korea would play "the central role" in providing the

Seoul wants to install the reactors to increase ues with North Korea and to build up the North's electricity capacity in advance of what it sees as the inevitable reunification. South Korea has threatened not to help pay for the reactors unless its reactors are chosen. But North Korea has been resisting

taking a reactor from its enemy. Despite these uncertainties, and the perennial suspicion in South Korea that Pyongyang will not keep its promises, the overall assessment of the Geneva agreement was favorable. Analysts said it might indicate that Kim Jong II, who is believed to have taken over as North Korea's leader after the death in July of his father, Kim Il Sung, is open to negotiations.

Muslim-Croatian Alliance Rift

By Roger Cohen
New York Tumes Service

ZAGREB, Croatia --- A U.S. task of belping the Muslim-cominated Bosnian Army and allies integrate their forces, senior Croatian and American officials said Tuesday.

the frustration of the Clinton administration at the failure of the Muslims and Croats in Bosnia to turn the American-sponsored federation they formed last April into any sort of integrated military alliance.

Instead of establishing a joint command structure and thus huilding a credible military threat to the Bosnian Serbs, as envisioned in the federation Bosnian Serbs agreement, Muslim and Croatian generals have remained divided by mutual suspicion. strategic disagreements and differing goals.

Over the last week, this disunion has been evident in the Serbian bombardment of Bos- govina - Bosnian Serbs fired nian government positions just on a United Nations relief connorth of Mostar, aimed at cut- voy in the southeastern Muslim rajevo. The Bosnian Croatian another, UN officials said.

will be coming to Sarajevo at the beginning of November with the aim of really establish-ing a federal army," the Cro-atian defense minister, Gojko Susak, said in an interview. "It is important that America knows who has been sabotaging the federal army — the Bosnian government. The Croats would belp in Mostar if the attitude of

the Muslims was different." A senior U.S. official confirmed that what he called "an no identifiable target.

American military mission" would soon arrive in Sarajevo, headed by a retired general. military delegation will arrive John R. Galvin, the former sussoon in Bosnia charged with the preme commander of allied forces in Europe.

The bolstering of the military its nominal Bosnian Croatian potential of the Muslim-Croatian alliance is important to Washington because of the widespread view in the Clinton The dispatch to Sarajevo of administration that only the esabout 15 U.S. officers reflects tablishment of a balance of about 15 U.S. officers reflects administration that only the espower in Bosnia will create the conditions for peace.

But the task of the American officers will be arduous. Over the last six months, it has become clear that the Bosnian Army and the Croatian Defense Council are still a long way from forgetting the brutal war fought between them in central

Attack Convoy, Killing a Driver

SARAJEVO, Bosnia-Herze-

quested close air support - the term for NATO action that goes as far as air strikes. Major Koos Sol, another UN spokesman, said the request

had reached a group of top mili-tary and civilian officials at UN beadquarters in Zagreb, which can authorize air strikes. But they had decided against doing so on the grounds that it was too late: The attack occurred several hours beforehand, darkness was falling and there was ferent visions for Bosnia.

While President Alija fzetbegovic talks often of "liberating" Bosnia from the Serbian aggressor -a war that would presumably be protracted -the Croats favor n rapid compromise with the Serbs that takes account of the fact that Serbs represent a third of the Bosnian popula-

"We are angry that the Croats have kept some war criminals in senior positions in their army and that they do not seem to want to get involved in a struggle against the Serbian aggressor," said General Jovan Divjak of the Bosnian Army. "They are not really interested in a unified army, but only in being armed and organized in areas with a Croatian popula-

General Divjak singled out ? one senior Bosnian Croatian officer, Tihomir Blaskie, whom he blamed for the massacre of Muslim cavilians last year,

But General Ante Rosso, the head of the Croatian Defense Council's military delegation to the federation, rejected these accusations. He said that crimes had been committed by all sides ting the crucial supply route enclave of Gorazde on Tuesday, in Bosnia and that the real from the Croatian coast to Sa-killing a driver and wounding problem with establishing an problem with establishing an effective joint command structure for a federal army lay with President lzetbegovic.

"Why should we Croais enknow the strategic aim?" be asked. "Izetbegovic talks of liberating Bosnia. But perhaps after freeing the country of Serbs. he will want to free it of Croats too. We need to know exactly what this so-called liberation means."

General Rosso estimated that there were about 60,000 soldiers in the Croatian Defense Council and 120,000 in the Bosnian Army. But integration has scarcely begun because of the deep misgivings on both

KOREA: 'Good for World'

tional monitors already have

yang's agreement to freeze its nuclear energy program meant been the poor performance of that a reactor at Yongbyon would not restart and that spent trial sector and the need to supfuel beld in cooling ponds would not be reprocessed. The spent fuel can be a source of weapons-grade plutonium.

U.S. scholars who study North Korea said it was too early to declare the nuclearweapons issue solved. Some said in interviews Tuesday that they were optimistic that the worst of the crisis bas passed, hut others said some aspects of the deal were troubling.

CHINA: Urban Prices Soar, Raising Fears of Unrest

curb the increases in market

and that 70 percent of bank lending nationally went to the Mr. Gallucci also said Pyong- state sector. A key obstacle to China's reform program has port it with extensive credit allocations.

 Overall, he said, hank lending increased by nearly 60 percent in the first nine months of 1994 compared with the previous year, evidence that despite its impact on money supply and inflation, Beijing would continue to push its economy toward the fast growth that it considers

essential for new job creation. • China's budget deficit is (Reuters, AP, WP) also likely to exceed targets set

at the beginning of the year, encing above 30 percent year-according to a report in the offion-on-year consumer price rises Continued from Page 1

> that China's budget deficit was likely to hit 117.4 billion yuan (\$13.8 billion), about 75 percent higher than what Mr. Li predicted last March.

> In a bid to improve the lot of its 800 million farmers, China has decided to free prices on most basic foodstuffs in keeping with its transition from a centrally planned economy to one guided by market forces.

But the combination of inflationary expectations, speculation and an inadequate distribution system in which little true competition exists has resulted in runaway price in-

The State Statistical Bureau said that incomes of both urban and rural dwellers had grown by 6.8 percent and 10 percent respectively in real terms, after discounting inflation. It also noted that individuals' savings rates had nearly doubled in comparison with the same nine months last year.

But analysts expressed concern that a national inflation rate that eclipsed 30 percent could be, according to one economist, the difference between "galloping price rises and hyperinflation."

Those inflation rates are already happening in many places in China, the govern- now either in jail or under some ment said Tuesday. The num- form of administrative detenber of the 35 hig cities experi-tion.

should not be taken as a symptom of an intractable problem. but as a reflection of the difficulties China faces in managing a complex and newly decentralized economy.

Shanghai Activist Gets 3-Year Term

SHANGHAI - Li Guotao, a leading dissident, has been sentenced to three years of "reducation through labor," dissident sources said on Tuesday. They said Mr. Li's family had been officially notified of the sentence. No further details were available.

He is the fourth member of Shanghai's small dissident community to be sentenced to three several weeks. The others are Yang Zhou, Bao Ge and Yang Qinheng,

A member of the Shanghaibased Association for Human Rights, Mr. Li is a close asso-ciate of Yang Zhou, a co-founder of the association, which has been battling city authorities to register as a legal entity. Virtually all known political activists in Shanghai are

paramilitaries have administered 12 punishment shootings and two punishment assaults. The IRA, which had doled

The punishment is given to petty criminals and others in neighborhoods where the police are reluctant to patrol. They are also a way for the IRA to maintain control. The Protestant cease-fire was

or so gathered in the thick foe in front of City Hall to mark the exac! moment when the cessayears in a labor camp in the past tion of all military operations would go into effect.

At the stroke of midnight,

> dered aloud what song would be appropriate.
> "No national anthems, that's

"I can see clearly now the rain is gone . . . " Around him, in the fog. the crowd clapped and

FRANCE: Government Torn by Inquiries and Intrigue

Continued from Page 1

rectitude has not been called into question, the fact that the scandals have implicated his political allies bas eroded some of Mr. Balladur's stature because he took office promising sound and bonest government that would not tolerate even a whiff of corruption.

The simmering feud between Mr. Balladur and Mr. Chirac over who will lead the ruling majority into the presidential campaign has set off open political warfare among their loyalists in the cabinet. The fighting has intensified in recent weeks as Mr. Mitterrand's deteriorating health spawned speculation

Seeking to restore unity within his government, Mr. Balladur on Tuesday summoned Foreign Minister Alain Juppe, Mr. Chirac's main supporter within the cabinet, to appeal for a political truce until the end of the year.

They were later joined by Inte-rior Minister Charles Pasqua and Defense Minister François Leotard, who have clashed repeatedly over policy with Mr. Juppė. Mr. Juppe, who had just re-

turned from a tour of Gulf countries, said later that he was "dumbfounded by the deterio-ration of the political climate" Leotard or Mr. Pasqua in a Bal-ladur presidency, and Mr. in the last few days. "It seems to me that it is urgent for the coalition and the government to get a grip on themselves. We must calm this sort of political mad-ness that bas taken hold of the country."

Last week, Mr. Juppe blamed Mr. Pasqua for refusing to grant more than a 24-hour visa to Taslima Nasrin, the exiled Bangladeshi author under known yakuza boss to become death threat by radical Islamic fundamentalists because her work has incensed them. The incident caused acute embarrassment for France, which has long trumpeted its reputation as a haven for persecuted writers.

Mr. Juppé also spurned Mr. Pasqua's notion of bolding a primary to choose the right's presidential candidate. Mr. Pasqua then denounced Mr. Juppe and said he should leave the government because his avowed support for Mr. Chirac was not compatible with his cabinet post as foreign minister.

Mr. Leotard, a strong Balladur backer, twice infuriated Mr. Juppe last week by intruding on his foreign policy turf. Mr. Leotard first provoked a quarrel sters rather than the executives.

of an early presidential election. with Washington by suggesting domestic politics may bave prompted the U.S. decision to rusb troops to Kuwait and then outraged the anny-backed government in Algeria by declaring that Muslim fundamentalists would eventually seize power

In the political calculus behind the rivalry between Mr. Balladur and Mr. Chirac, political sources close to both men acknowledge that the fighting between their surrogates is motivated by their desire to become prime minister - Mr. Juppé in a Chirac one.

CRIME: Japan's Gangs

Continued from Page 1

knowledged that the firm's board had permitted a wellone of Nomura's largest customers during the 1980s.

The Finance Ministry, which regulates nearly all facets of the banking and securities businesses, has generally failed to root out or punish those who have dealt with the yakuza.

But the Japanese police, who used to defer to the Finance Ministry, have decided to act. Eiichi Takano, a senior police official, said the National Police Agency had established special units to fight vakuza attacks against businessmen.

Mr. Takano said the police agency had told companies and banks that if they disclosed their ties to organized crime, the police would pursue the gang-

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ULSTER:

Continued from Page 1
its nuclear program that were of immediate concern to the West:
In other economic news:

Mr. Qiu disclosed Tuesday that 44.5 percent of all state two graphite reactors under two graphite reactors under that 44.5 percent of all state said Tuesday in their fall report said Tuesday in their f

pacitating.
Since Sept. 1, the Protestant

out 55 kneecappings from January to Sept. 1, has since its cease-fire turned to punishment beatings with iron bars, base-ball bats, and clubs with nails. There have been nine of them.

ushered in with a low-key, incongruous start. A crowd of 50

Paul MacAree rubbed bis brown beard, strummed a few chords on his guitar, and won-

for sure," he joked. Then he began the lilting Johnny Nasb song from 1972:

Wednesday

STAGE/ENTERTAINMENT

Reviews from the world's most famous stages appear in the Stage/Entertainment pages - from London and New York theater to opera to symphony concerts conducted by renowned artists. Along with book and movie reviews, this section provides information on current cutertainment options all over the world.

Every Wednesday in the International Herald Tribune.





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Queen Finds A Deserted **Red Square**

MOSCOW - Queen Elizabeth arrived in a nearly deserted Red Square on Tuesday, in an embarrassing mix-up in which Russian security forces reportedly were told to keep people out of the square. But nides said that neither local chaos nor royal woes piling up at home could hlight the queen's historic visit to Russia.

"President Yeltsin decided he wanted to show the queen more of Red Square than originally intended, so security were told to keep it clear of people," an angered British Embassy official said.

A few hundred well-wishers were hastily allowed up to har-riers to talk to the queen, as President Boris Yeltsin showed her and her husband, Prince Philip, around.

Early on Tuesday the queen, with Mr. Yeltsin, laid a wreath at graves of World War II victims to mark the two countries' wartime alliance, before touring the palaces and cathedrals behind the Kremlin's walls.



Russian schoolchildren, waving British flags Tuesday to welcome Queen Elizabeth to their central Moscow school.

Royal Divorce in the Works?

Palace Denies French Magazine Report

LONDON — Buckingham Palace denied reports in a French magazine Tuesday that Prince Charles and his estranged wife. Diana. were planning to divorce early next year in a settlement that would bring her a fortune.

"As was stated quite clearly when their separation was announced in December 1992, the prince and princess had no plans to di-vorce," the palace said in a statement. "That remains the position."

A joint statement issued by lawyers for the couple said there was "no truth" in the reports of an impending divorce that electrified the British media on Tuesday.

The brash Paris weekly Voici, quoting what it claimed were excerpts from a new hiography of Diana, said that the feuding royals would end their marriage in March and that the princess would be paid nearly \$25 million in a settlement.

Diana, reported to be devastated by Charles's revelation in his own authorized biography that he had never loved her, is quoted as saying that she felt used and abused by the royal palace.

One excerpt from the book said the princess compared her royal role to that of "the

biggest prostitute in the world."

"I am a POW." Diana is quoted as saying by the magazine, "prisoner of Wales." Voici said that as part of the divorce agreement, Diana would have access to her sons,

William, 12, and Harry, 10, who are in boarding school, but she would renounce all claims to the throne and relinquish most of her iewels. In return she will receive a house in London worth about \$10 million and a coun-

try house in either France or Wales. The magazine said all of the divorce details are included in Andrew Morton's new book, "Diana, Her New Life," to be published on Nov. 15, Mr. Morton's latest volume to spot-

light the royal family's fractured fairytale. The publishers of the new book, Michael O'Mara Books Ltd., said the magazine story contained elements of the book.

"It also includes substantial distortions and falschoods, especially with regard to the question of divorce and the legal settlement for the Prince and Princess of Wales," the company said in a statement.

The publishers said that a Voici employee. Luis Alvárez Gómez, was arrested by the Paris police Monday and that he had a stolen manuscript of Mr. Morton's new book.

But a spokesman for Voici, Marc Rassat, denied the manuscript had been stolen. There is no question of a theft." Mr. Rassat said. "This is a scoop, and there is nothing unusual about that."

He said the magazine's information had come from its own staff as well as from Mr. Morton's book, which Mr. Rassat said was

ohtained through "journalistic means,"

It is not known if Diana cooperated on Mr.

Crusading Moscow Reporter Is Killed By Bomb in Midst of Corruption Probe For Cracked Pipe

By Fred Hiatt

Washington Past Service
MOSCOW — An investigative reporter for Moscow's most popular newspaper has been killed in a bomb blast in what Moscow authorities called "an unprecedented terrorist act." escalating the growing violence against journalists.

Dmitri Kholodov, 27, who had reported on corruption in the military and other sensitive topics, was killed in his office in the Moskovsky Komsomolets newsroom. Another reporter was slightly injured.

The blast Monday occurred shortly after Mr. Kholodov returned to the newspaper with a hriefcase that he had told colleagues he would be collecting from a source in Russia's domestic intelligence agency, his editor said.

"This is a political crime against journalists and against freedom of speech," said Pavel in chief, "There are forces who want to intimidate journalists and teach them not to stick their noses into where it smells

of big money and big crime." With crime and corruption increasing at many levels of Russian society, contract murders and beatings have become almost commonplace. Bankers and businessmen are often targets, but prosecutors, officials and journalists also have been

The apparent murder of Mr. Kholodov was the most brazen attack yet on a journalist, reaching into the heart of a newspaper that has become a symbol of the new Russia by virtue of its audacity, iconoclasm and cynicism.

President Boris N. Yeltsin was shocked by news of the

Mr. Kholodov had worked at the newspaper for four years, bomb.

Gusev, the newspaper's editor covering many of the major crises following the breakup of the Soviet Union, Mr. Gusev said.

Recently, the reporter had been investigating alleged arms trafficking by Russian Army officers while based in Germany. He had received several death threats in connection with these reports, Mr. Gusev said.

Mr. Kholodov had told colleagues that an employee of the Federal Counterintelligence Service, successor to the KGB. had been talking with him for some time and had finally agreed to give him documents. The reporter said he had been told the documents would be left for him in a luggage locker in a Moscow railway station.

Mr. Gusev said he did not know whom Mr. Kholodov met, if anyone, in the train station. But he said the reporter returned with an attache case, which contained what the editor called a professionally made

Last Power Plant German Ex-Communists Discard the Past At Chernobyl Shut

KIEV - Ukraine shut the remaining reactor at the Chernobyl power plant, site of the world's worst nuclear accident, for a week because of a cracked pipe, officials announced Tues-

An officer for the State Committee on Nuclear Safety said the third reactor was closed Monday after a small crack was noticed in a pipe carrying steam to turbines.

The accident was registered at zero on the international seven-point scale and there was no rise in radiation.

The plant's first reactor at the stricken plant - was closed Oct. 8 for maintenance. Parliament reversed a pledge last year to close Chernohyl by the end of 1993. The country's

power sources.

the 672-member Parliament. leaders say \$4 hillion to \$6 hillion is needed to close the installation and find alternative that description.

one of Germany's most outspo-One of the new stars of the ken lesbians; and Christa Luft, fascists" and denounced Mr.

BERLIN - Germany's juhilant former Communists, flush with their victories in parliamentary elections, insisted Tuesday that their party had left its repressive past behind and was prepared to work constructively within the existing political system.

By Stephen Kinzer
New York Times Service

"Stalinism is no longer an option," said the party leader, Lothar Bisky, referring to the Communist Party that ruled East Germany for 40 years,

The former Communists, who now call themselves Democratic Socialists, borrified the political establishment Sunday by winning four head-to-head the only other one functioning parliamentary races, all of them in East Berlin. That showing qualified them for 30 seats in

> During their campaign, the Democratic Socialists called their candidates a "colorful troupe," and the 30 legislators they will send to Bonn live up to

party is Stefan Heym, an 81-year-old writer of Jewish de-scent who served in the U.S. Army during World War II and who holds American as well as of economics. "We will naturally have dif-German citizenship. As the old-

'We will be anything but a boringly unified faction.'

est member of Parliament, he

Gregor Gysi

will give the opening speech when it convenes next month.

Among others elected on the Democratic Socialist ticket were Günther Maleuda, former president of the rubber-stamp East German Parliament: Gerhard Zwerenz, a writer known for steamy sex scenes; Heinrich von Einsiedel, an aristocrat who is a great-grandson of Otto von

a Marxist economist who was Gysi as "the personification of once the East German minister political cynicism."

fering opinions," said the party's leading figure, Gregor Gysi, sharp-tongued lawyer whose father was East Germany's minister of culture, "We will be anything but a boringly unified

The former Communists campaigned as the voice of Eastern Germany, and clearly profited from widespread resentment there about the way German unification has been managed. But nine of the 30 men and women who will repre-sent the party in Parliament are from Western Germany, and party leaders said after the elec-

tional political force. Chancellor Helmut Kohl Bismarck; Christina Schenk, orously during the campaign, tors."

Many Eastern voters wanted

to show their anger with Chancellor Kohl, and after hearing these attacks they voted for the ex-Communists rather than for the principal opposition party. the Social Democrats. A former East German dissi-

dent and outgoing member es Parliament, Konrad Weiss. called the ex-Communists' success at the polls "unbearable and shameful."

"Many people in Eastern Germany seem to have forgotten the total repression, the murders at the wall and the Stast spying," Mr. Weiss said.

But Joshka Fischer, who was elected to Parliament as a tion that they hoped to broaden Green, said he would be willing their appeal and become a natio deal with ex-Communists. to deal with ex-Communists.

"These are elected legislators with democratic mandates," he prohably helped the ex-Com- said. "We cannot have firstmunists by attacking them vig- class and second-class legisla-

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enjoy the finer points of mechanical watchmaking. Through the sapphire-crystal caseback, you can admire the exquisite hand-finish of our movements and bring into play the precisely coordinated actions of the column-wheel, levers and gears fig. 7.

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AMERICAN TOPICS

Mistake-Proof Safety Seats Even a Parent Can Install

A new generation of car safety seats promises to be far more foolproof than the present devices, the Kansas City Star reports. Safety seats available today are credited with saving the lives of about 200 children a year. Still, 615 children under age 5 were killed last year in motor vehicle accidents, many of them because of improperly secured safety seats.

Today's new cars are beginning to be outlitted with safety seats that are either built into the car or, if portable, snap into a metal receptacle under the seat cushion or into the seat frame. No safety belts are needed to secure them.

Cheryl Kim, a program coordinator for SafetyBeltSafe U.S.A., a nonprofit group, said that up to 90 percent of

people using children's safety seats had done something wrong with the seat

In 1978, Tennessee became the first state to require safety seats for children traveling in automobiles. Today all 50 states have similar statutes, and the use of safety seats has grown accordingly. But many parents have difficulty installing the seats.

Short Takes

A husband who pleaded guilty to voluntary manslaughter after catching his wife in bed with another man was a manslaughter in prison by a sentenced to 18 months in prison by a judge who said such a killing was understandable.

Sandra Peacock, 31, of Towson, Maryland, was killed Feb. 9 by a buning rifle after her husband, Kenneth, 36, arrived home unexpectedly during a winter storm, prosecutors said. The victim's lover escaped unharmed. The prosecution had demanded a sentence of three to eight years. Circuit Judge Robert E. Cahill said that, while he was reluctant to give the defendant any prisoo time at all, "I am forced to | impose a sentence."

Attorney Judith A. Wolfer, a domestic violence activist, said the sentence sent a dangerous message. "You don't kill someone because they betrayed your trust,"she said.

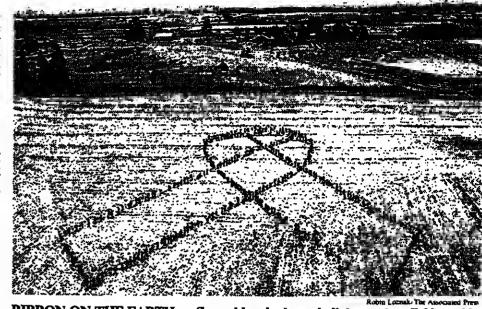
A rock slide crashed into a camp in the depths of the Grand Canyon shortly before dawn one day last week, injuring four people in a party of 16 experienced river rafters. One woman remained hospitalized with a fractured pelvis. Three other rafters were recovering from broken bones and hruises.

The rock slide, apparently triggered by a storm that hrought a foot of wet snow to the canyon rim, tore through the cluster of tents. One of the campers, Chuck Cichowitz, said, "It was like someone dropped a bomb."

The bicycle is stationary. The view isn't. Tectrix, a maker of aerobic machines, has teamed up with Cyber-Gear, a computer software company, to add virtual reality to an exercise bicycle. On traditional exercise machines, lack of distraction can make exercise boring, eveo with newspapers, magazines or televisioo. On the new apparatus, using a 20-inch color monitor, riders pedal through a rural landscape, cycling up hill and down dale while avoiding trees and other ohstacles. Pedaling resistance increases going up steep terrain. If a biker hits a tree, the collision can be heard on the speakers and felt in the pedals.

In an article about heavyweight boxers, The Washington Post promised "everything you wanted to know about our reigning champs, including their names." It turns out that one Oliver McCall is the current custodian of the World Boxing Council's version of the world title, and somebody called Michael Moorer has both the International Boxing Federation and World Boxing Association crowns. Shades of Jack Dempsey, Joe Louis, Rocky Marciano or Mohammed Ali - neither fighter's name is exactly a household word.

International Herald Tribune



RIBBON ON THE EARTH -- Several hundred people lining up in a field outside Kalispell, Montana, to form a ribbon like one worn in solidarity with AIDS sufferers.

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Herald Tribune

Germans Play It Safe

No Switch for Now

In German politics, change approaches with slow and ponderous gravity. In the 45 years since the present Federal Republic was founded, power has swung only once from center-right to center-left, in cautious stages in the late 1960s and hack to center-right in 1982. Another shift seems to be approaching -hut, Sunday's election returns say, not just yet.

Chancellor Helmut Kohl's conservative Christian Democrats and their allies have won again, although with only the narrowest of margins. They will have a majority of 10 in the new 672-seat Bundestag, compared with 66 in the last one. Whether that will enable them to govern for the usual four-year term is a question very much under discussion in Germany. Last spring the polls suggested that

Mr. Kohl was running far behind the opposition. But an unexpectedly strong economic recovery from the recession reinforced the German voters' inclination toward stability. One welcome consequence is that the radical right-wing Republicans got only a minuscule vote and will vanish from the Bundestag. The leading opposition party, the Social Democrats, gained modestly. The Party of Democratic Socialism, the former East German Communists, won larger gains and the Greens still larger, indicating a

Doubts About Vision

With a notable lack of enthusiasm, German voters gave narrow support on Sunday to their least risky choice, Chancellor Helmut Kohl and his center-right government. But Mr. Kohl will have to struggle to make any headway during his fourth four-year term since 1982. His parliamentary majority was shaved to 10 votes, and his coalition partners, the Free Democrats, just managed to squeak by the 5 percent threshold needed to assure their seats in the Bundestag. Although Americans and Europeans might have preferred a less ambivalent outcome. Mr. Kohl's continued leadership will be gen-erally welcomed. He and his Christian Democrats are tried and familiar. The question is whether he intends to make something of his victory or mark time.

In any case, this second national election since unification in 1990 suggests how exaggerated were fears back then of a swaggering, nationalist and volatile Fourth Reich, Right-wing extremists got nowhere in Sunday's vote; former Communists, now called the Party of Democratic Socialism, proved to be an essentially regional protest movement based in Eastern Germany, where jobs are scarce and grievances real.

In losing ground, Mr. Kohl was no doubt punished for foolishly implying that unification would be painless and no new taxes would be needed to nurture "hlooming landscapes" in the East. He

shift to the left among the leftist parties. West European politics is now in a curious condition. Most of the hig countries are under parties that have been in power for a very long time and are declining in strength, yet have no very forceful or well-focused opposition. Mr. Kohl has been German chancellor for 12 years. François Mitterrand has been president of France since 1981. Although nominally a Socialist, he has long since abandoned most socialist doctrine, and the Parliament is in the hands of conservatives. Spain's Felipe González bas been prime minister since 1982, another Socialist who has moved to the center. Britain's Conservatives have been in office since 1979, and although the Labor Party is gathering momentum, the government is still hanging on by its fingernails. Ideology is selling at a discount, and some of the reasons are visible in Germa-

ny. Social Democrats asserted that they could run the economy better than Mr. Kohl and spoke in general terms of social justice. But business is improving, and German social benefits are already enormously generous, far beyond anything offered in America. In reality the issue is not whether to expand them but bow to preserve them. It is hard to run an effective opposition in a prosperous country whose voters mainly want security.

- THE WASHINGTON POST.

was hurt as well by the virtual collapse in local elections of his smaller partner, the Free Democrats. But once again the big and seemingly clumsy chancellor was somehow able to contain inevitable desertions from an aging regime, belying his reputation as "Blunderkohl."

He was helped by the lackluster cam-paign of his chief challenger, the new So-cial Democratic leader, Rudolf Scharping. Most of all, he was given a crucial lift by an economic recovery triggered in part hy America's revival. Foreign affairs played hardly any role in a generally dull campaign, and Germans seemed scarcely aware that as they were casting their ballots, so, too, were the Finns, who voted to ioin an expanded European Union.

The familiar, valid criticism of Chancellor Kohl is his deficiency in vision. He has been justly faulted for failing to speak out against skinhead assaults on foreign workers, for his vagueness about Germany's eastern borders, and for his inepti-tude in persuading President Ronald Reagan to lay a wreath on graves of SS veterans at Bitburg. Now he can use his unprecedented fourth term to prove that

his stature is not merely physical.

Germany's eastern neighbors need more trade and political reassurance; its European Union partners need German energy and enthusiasm. If Mr. Kohl can devote his fourth term to something more challenging than clinging to power, he could put to rest the doubts about his vision.

- THE NEW YORK TIMES.

Jordan and Israel

The initialing of a peace treaty between Israel and Jordan is no less welcome for having been expected for some time. Again and usefully, it has been shown that bloody disruptions, such as the weekend shootout in the West Bank, cannot slow the region's inexorable march toward accommodation. At the White House last July, King Hussein and Israeli Prime Minister Yitzhak Rabin had shaken hands on an end to their state of belligerency. Now in a week or so a peace treaty is to be signed that will terminate the formal state of war between them and put a full structure of ties in place. Bill Clinton, who

helped make it happen, will be there.

To be sure, Jordan was always special. Not just the king's personal inclination but strategic necessity - the requirement for protection chiefly from Arab foes rendered Jordan "moderate" and open to a close connection with the United States and also, when it became possible, with Israel. By hundreds of hours of secret summit talks over the years, the two ostensibly hostile countries managed a measure of coexistence that Israeli Foreign Minister Shimon Peres dubbed "a state of war with a wink."

The virtually simultaneous decline in the regional reach of the Soviet Union and Iraq is what liberated Jordan and Israel alike to move forward as honest partners. Until then, only Egypt had had the courage publicly to embrace peace with the Jewish state. Once the Palestinians stepped forward to speak for the West Bank, the single largest source of contention lying between Israel and Jor-dan evaporated. The two of them could then get to work on the lesser though far from simple issues, including border and water, that they seem now to be resolving. Israel, addressing the PLO as well as

Jordan, has been engaged in a form of three-cornered bargaining. This is how Israel came last summer to explicitly acknowledge Jordan's "special" and "historic" responsibility for Muslim shrines in Jerusalem, the better to diminish the PLO's claim to the city as capital of a prospective Palestinian state. But of course if Israelis hope for a reliable peace with Palestinians, they must deal with Palestinian aspirations on the ever more crucial Jerusalem issue, too. Peace with Jordan offers important rewards, and takes Israel to the hard questions of peace with a future Palestine.

- THE WASHINGTON POST.

Other Comment

Now It's Up to the Palestinians

Six years ago, King Hussein an-nounced that Jordan's claim over the West Bank was dissolved. The wisdom of that decision has been validated. Now it is up to the Palestinians to negotiate with Israel on their own behalf over territory and sovereignty, as Egypt did earlier and as Syria has been invited to do. Had the old Arab insistence on unanimity and a "comprehensive" approach to Middle East peace prevailed, clearly none of this would be possible.

President Bill Clinton, who is expected to attend next week's formal signing of the Israel-Jordan agreement, has rightly hailed it as evidence that "moderation and reason are prevailing." No third country has worked harder over the decades than the United States in behalf of this result. No third country can feel more grateful for what is being achieved.

— Los Angeles Times.



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Monitors Needed to Halt Rwanda's Cycle of Revenge

WASHINGTON — As the entire world witnessed earlier this year, between 500,000 and a million Tutsi were killed during six weeks of genocide in Rwanda. Despite commendable restraint at the outset, it now appears that parts of the new Tutsi-hased government in Kiga-

li are seeking revenge. For the past few months, a trickle of refugees has been leaving the cholera-infested camps in Zaire to set out for home. only to reappear in camps in Tanzania. These refugees have been joined by other Hutu at the rate of 400 per day. These fleeing Rwandans have abandoned their farms at the height of the growing season because they are convinced that their safety is guaranteed only in a refugee camp.

Recently, atrocities have been documented by a leading buman rights expert who was contracted by the United Nations High Commissioner for Refugees. His report concludes that an "unmistakable pattern of killings and persecution by soldiers of the Tutsi-based Rwanda Patriotic Front is "aimed at the Hutu population." In the past, this expert has released irrefutable reports of buman rights abuses in Uganda, Somalia, Mozambique, Liberia and Central America.

By Tony P. Hall

Some discount the report, which has been embargoed by the UN secretarygeneral, out senior officials at the United Nations, the State Department and the U.S. Agency for International Development who are familiar with the author's track record are confident of the report's veracity and its methodology.

Will the international community turn its back on the findings and assault the methodology, thereby becoming a party to increased buman suffering? Or will it instead take the report seriously and inform both the Patriotic Front in Kigali and the Hutu outside Rwanda that the cycle of revenge killings must stop, and also insist upon the deployment of hu-man rights monitors to address both the fact and the perception of the current atrocitles perpetuated against the Hutu?

If something is not done, the international community will become a party to the increased human suffering. As well, it will be forced to muster additional resources for housing, feeding and caring for 2 million Hutu refugees. If the world chooses a "business as usual" approach to deploying human rights monitors, the Hutu population living away from home could remain a long-term ward of the international community. (Remember the Tutsi refugees fleeing from Rwanda who were exiled for 34 years before returning

to take over the Rwandan government?) In the past few months, some refugees have confided to relief workers that relatives who left for Rwanda to inspect the security situation have not returned, and that those who do return bring horrible

stories of reprisals. Many in the international community contend that the refugees are being intimidated in the camps by former Hutu leaders and are lying to relief workers about the absence of their relatives. While intimidation may exist within the camps, denial of this human rights report only reinforces the refugees' hesitancy to return home. This alarming situation calls for an urgent plan of action.

The strategy needs to go beyond the controversy over the recent report to steps that deal with the symptoms of something gone tragically wrong inside Rwanda. This means rapid identification and deployment of human rights moni-tors who would: (1) conduct a second

round of investigations to observe and stop the atrocities documented in the report, assuming that it is correct, and (2) whatever the merit of the report, address the perception that killing continues.

Such steps would serve a dual purpose in that they would allow human rights monitors to freely travel the country and inspect the security situation, and would also enable the high commissioner for refugees to begin repatriation of the Rwandans without the fear of reprisals.

A difficult or expensive UN operation is not necessary to accomplish the above cools. If the international community can

goals. If the international community can easily deploy thousands of troops to Haiti, Bosnia or Somalia, finding sufficient human rights monitors for Rwanda should be simple. The nations of the world established the office of UN High Commissioner for Human Rights, and the United Nations itself, precisely for these situations: when a nation of region of the world is being overwhelmed, and a concerted international response is required.

The writer, a Democratic representative from Ohio, is chairman of the Congressio-nal Hunger Caucus. He contributed this comment to The Washington Post.

A Toast to the Peace Prize Winners, but Let's Not Get Carried Away

N EW YORK — The winners of the 1994 Nobel Peace Prize bave good reasons to allow themselves the pleasure and pride of accomplishment.

Wait — the "buts" will come soon enough. If Israeli, Palestinian and American critics of the winners refuse them due credit. they will harm their own credibility and future role in any attempt to work out peace on reliable terms, if such come to exist,

Yasser Arafat is the first Palestinian in history to have the realistic right to say he will bring about an independent Palestinian state. He almost has it already.

It is true that without the present Israeli and U.S. governments he could not have accomplished that. Together they gave him more marks of honor, more applause and embraces, than to any other present Muslim leader, including the king of Morocco, the presidents of Turkey and Egypt. the sultan of Oman and other By A. M. Rosenthal

West, all put together. This did not come from a sudden thrill of affection for Mr. Arafat. It was testimony to the Pales-tinian determination to fight on. Israel's Labor Party decided that giving up strategic territory was better for peace than bolding on to it. At that point. Labor had to muster the talent to do today what it had denounced vesterday; it did.

Labor gave the Palestine Liberation Organization the status, control and partnership in govern-ment that Shimon Peres and Yitzhak Rabin had so recently opposed. The world will not accept the idea that Israel can give Palestinians this cup of independence to hold but order them never to drink from it. Labor knows that.

I think the Nobel people might have waited a year, or three, before deciding that Mr. Arafat and the PLO in no conceivable way

longtime Muslim friends of the would ever commit terrorism or give comfort to its perpetrators. But without quibble he deserved a medal of achievement for the cause of Palestinian nationhood.

Shimon Peres and Yitzhak Rabin: Mr. Rabin and the king of Jordan sign an agreement for a peace treaty. Morocco prepares, warmly, for full recognition of Israel. Tunisia and other Muslim countries move toward it. Maybe one day so will Syria, if President Hafez Assad does not bore the

world to death before then. Israeli businessmen and diplomats now deal with Arabs and other Muslims in many places of the world. Saudi Arabia and the Gulf states talk of beginning the end of the boycott.

None of this would have been thought within reach before Mr. Peres and his aides, including Uri Savir, former consul general in New York, went to Oslo to deal

with the PLO. Mr. Rabin then

approved their agreement.

Those accomplishments are in hand. But — the bill is not.

Israel's decision to pull out from most of the West bank, go down from Golan and open the road to an independent Palestine that could be taken over by a militant movement or neighbor does not necessarily doorn Israel. does not necessarily doom Israel. But to say it does not put the country at risk is idiotic.

Mr. Rabin and Mr. Peres once said they opposed such steps. So did every serving Israeli chief of staff, including the incumbent.

The collapse of communism and the defeat of Saddam Hussein did lessen the short-term danger. But Russia is sweatily eager to succeed the Soviet Union as arms merchant to lraq, lt sells heavy weapons to Syria, where thousands of Russian specialists are based. China and Eastern Europe jostle for the Mideast arms trade. Were they all lying, those Labor politicians and Israeli generals who said that the collapse of the Soviet Union did not change geography? Until Labor won the election in 1992, Likud and Labor leaders both said holding on to the Golan Heights and the brief rallying time provided by the West Bank was not a war game but the breath of life,

Terrorism — now they scream at Mr. Arafat to stop terrorism against Israelis. Mr. Arafat? He has enough trouble protecting his own skin from terrorists within the PLO and from Hamas.

But Labor was elected by the Israeli public. Likud can throw it out, and polls show the possibility Either way, a toast to Mr. Rabin and Mr. Peres — and to Benjamin Netanyahu and Ariel Sharou, who better get together real soon if they expect Likud to succeed the Nobel laureates. Make that one for the bunch of them. This is no time to get all woozy.

The New York Times.

On Hiroshima, Truman Was Right and the Revisionists Are Wrong

WASHINGTON — In this age of rude surprises, none is ruder than the weird emergence of Gar Alperovitz as chief umpire of the Enola Gay controversy.

The controversy, you may re-call, is over how the Smithsonian's Air and Space Museum in Washington should frame an exhibit marking the 50th anniversary of the first use of the atomic bomb. The museum plans, in any case, to reassemble part of the Enola Gay the B-29 bomber that dropped the first bomb at Hiroshima, as the centerpiece of the exhibit.

Planning for this event has rekindled a ferocious quarter-century dispute between revisionist his-torians like Mr. Alperovitz and mainline historians less infected by the new-lefust fashions of the 1960s. Appointing Mr. Alperovitz to umpire the latest controversy is like recruiting a player's mom to umpire the World Series.

Yet when ABC Evening News

did a piece on the Enola Gay and elsewhere, has stuhbornly ardispute Sept. 21, here was Mr. Alperovitz speaking alone for historians. The only rebuttal came from several American Legionnaires, unqualified as historians. In my view they happen to be right about the issue, but in the way that a stopped clock is right twice every 24 hours. When the Sunday opinion sec-

tion of The Washington Post examined the issue on Oct. 16, here again was Mr. Alperovitz, speaking solo for the historians and suggesting that "research findings" of the past 20 years "can help clarify several hasic questions" about Hiroshima. The headline proclaims that there is a "historians' new consensus," and we are apparently to gather that Mr. Alperovitz represents it. Baloney. Mr. Alperovitz, in his 1965 book "Atomic Diplomacy"

By Edwin M. Yoder Jr.

gued that hy early summer 1945 Japan was near surrender and, thus, that the use of the bomh was unnecessary. It follows, according to Mr. Alperovitz, that President Harry Truman and his advisers must have had a hidden agenda: They dropped the atomic bomh to intimidate the Russians. The first use of the atomic weapon was, in other words, the first shot of the Cold War and intended by Presi-

dent Truman to be so. In his Washington Post piece, Mr. Alperovitz cites the historian Gaddis Smith to the effect that "the decision to bomb Japan was centrally connected to Truman's confrontational approach to the Soviet Union." What does "centrally connected" mean? President Truman's approach to the Soviet Union in August 1945, while firm,

This argument is at least as much over the ethics of historical investigation as it is over U.S. strategy in the last phase of the war against Japan. Most mainline historians take at

face value the recollections of the men who made the decision to use the bomb. They believe that Harry Truman and others thought they faced a Japan whose fanatical resistance at Okinawa, and dangerous supply of kamikaze planes and pilots, indicated that its warmaking zeal remained intact and could only be broken by the bomb.

They may have been mistaken; men differed then, as they do now, about the moral issues and the strategic uncertainties. But this is what they believed.

The objective 50 years later, at the Air and Space Museum and in every American history classroom, should be to give Americans an accurate sense of the contemporary choices as they struck American leaders in the summer of 1945. The primary ethical obligation of historians is to shape their story to fit the evidence, not, as Mr. Alperovitz does, the evidence to fit the story.

Whether or not Japan was beaten and might have been "jolted" into surrendering by a Russian declaration of war, as Mr. Alperovitz now argues, is unknowable. What is knowable is that President Truman went to an honored grave never doubting that, based on the alternatives as they presented themselves in mid-1945 (his main consideration being to save the lives of thousands of American servicemen), his decision was the right one and that it did save lives on both sides.

He was right. Mr. Alperovitz's manipulation of historical evideuce, in a sly pose of historical neutrality, should not be permitted to obscure that fact. Washington Post Writers Group.

A President Very Much Perturbed Over the Losses in Okinawa'

WASHINGTON — Harry S. Truman had been president for only nine weeks and four days on Monday, June 18, 1945, when he sat down with his top advisers to discuss the planned invasion of Japan. Mr. Truman especially wanted to know what American casualties could be expected in Operation Olympic, the code name for the first landings, set for Nov. 1, to capture Kyushu, one of the Japanese home islands. The archives are now shedding new

An unnamed economist told Secretary of War Henry Stimson on June 6 that if an invasion could be avoided it would "save

must capitulate to the Allies."

no Allied invasion had been contemplated.

light on the question.

By Chalmers M. Roberts 500,000 to 1,000,000 lives." But attached to the memo was a Joint

ers to come up with more precise figures was Mr. Truman's call for

WHY WERE Hiroshima and Nagasaki bombed? There is far less disagreement among experts about the purported need to use the

atomic bomh there than many think. As early as 1946, the official U.S.

Strategic Bombing Survey concluded that Japan, in all probability.

would have surrendered prior to Nov. 1, 1945, and would certainly have surrendered before Dec. 31, 1945, even if the atomic bomb had

not been dropped, Russia had not entered the war in the Pacific and

Similarly, a 1946 War Department Operation's Division study.

discovered only in 1989, concluded that "the Japanese leaders had

decided to surrender and were merely looking for sufficient pretext to

convince the die-hard Army Group that Japan had lost the war and

President Truman's "lost" diary, found in 1978, suggests that Mr.

Some historians hold that Harry Truman feared he would be

criticized as "soft" on the Japanese if he told them they could keep

their emperor before using the bomh. Some writers suggest that

because huge sums were spent developing the new weapon. American

Most relevantly, Harry Truman reported in his memoirs that Secretary of State James Byrnes told him in April 1945 that "the

atomic bomh might well put us in a position to dictate our own terms

at the end of the war." And the respected Yale historian Gaddis Smith

speaks for many experts when he says, "It has been demonstrated that

the decision to bomh Japan was centrally connected to Truman's

—Gar Alperovitz, author of "Atomic Diplomacy," is writing o book on the decision to use the atomic bomb. This comment is excerpted from an article he contributed to The Washington Post.

Truman understood well before August 1945 the point made later hy

the War Department study; that the powerful "jolt" of the expected Red Army attack on Japan in early August would so shock the already

teetering Japanese that the fighting would likely end.

political leaders found it impossible not to use it.

confrontational approach to the Soviet Union."

told another in a memo, "that the

president is very much perturbed over the losses at Okinawa." The hloody hattle for that island was just winding down, with vivid public and military awareness of A Geopolitical Reason for the Bombing?

In now declassified documents in the National Archives, I have found many references to casualty

Chiefs of Staff note that this estimate was "entirely too high." What galvanized military lead-

the June 18 meeting. The reason for that call was obvious: "I understand," one Pentagon general

on casualty rates in capturing the many Pacific islands and in the landings in Normandy. A June 15 memo to President Truman from the War Department's Joint War Plans Committee suggested that taking Kyushu would cost 24,000 dead, 105,000 wounded and 2,500 missing. a to-

estimates made before the White

House meeting. Most were based

tal of 131,500. This memo was frank enough to state that these figures "admittedly" were only an 'educated guess.' At the June 18 meeting, General George C. Marshall, the army chief of staff, began with a justification of a Kyushu invasion by 766,000 troops. He estimated total casualties at 31,000 in the first month alone, similar to losses in recapturing the Philippine island of Luzon. The navy chief of staff,

Admiral Ernest J. King, put total expected casualties at 41,000. Admiral Chester A. Nimitz, navy commander in the Pacific, expected 49,000 casualties in the first 30 days. What about General Douglas

MacArthur, now back in Manila and planning to command the invasion of Japan? In an exchange of cables with General Marshall, General MacArthur said that he anticipated losses lower than the rate suffered in Normandy and Okinawa of "3.8 men per thousand per day." He went on to argue that Operation Olympic "presents less hazards of excessive loss than any other [plan] that has been suggested," apparently a reference to naval

amphibious operations. General MacArthur added that the "hazard and loss will be greatly lessened if an attack is launehed from Siberia sufficiently ahead of our target date to commit the enemy in major combat."
Admiral William D. Leahy, the

president's chief of staff, said at one point that American forces in taking Okinawa "had lost 35 percent in casualties" and that applying that percentage to Kyushu "would give a good estimate of the casualties to be expected." Using General Marshall's projected force total of 766,000 would mean casualties of more

than 268,000. Admiral Leahy's estimate was later dropped, but President Truman kept referring at the meeting

are circumspect, but the only note of hope aimd the gloomy figures, it appears, was the potential use of the still secret atomic bomb. As the meeting was ending, Mr. Truman asked John J. McCloy,

Mr. Stimson's assistant secretary,

to the Okinawa losses.

Minutes of the June 18 meeting

for his opinion. Mr. McCloy made a case for telling Japan about the bomb's existence and for declaring that the Japanese could keep their emperor. The former was not done; the latter was.

A month after that meeting, President Truman, in Germany to meet with Stalin and Churchill heard that the "Trinity" atomic test at Alamogordo, New Mexico.

had been a success.
On Aug. 6 the first atomic bomb was dropped on Hiroshima; on Aug. 9, another bomb was dropped on Nagasaki, Japan soon surrendered. American occupation forces landed uncontested and without casualties.

The writer was a reporter for The Washington Post for 23 years. During World War II, he served as a member of the U.S. Strategic Bombing Survey.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1894: Free Trade Needed PARIS - The Herald says in an

editorial:] Efforts are being made to break down the artificial barriers erected between the commerce of France and the commerce of Switzerland and Spain. Whether France has or has not treaties of commerce with Spain or Switzerland is not a matter of general interest. The striking point is that the great and the lesser Powers of Europe, after having tried a policy of protection for a year or two, seem inclined to give it up. It is to be hoped that the time is not far distant when Governments will understand that free trade is as necessary to the development of peoples as political freedom.

1919: Appeal to Women

NEW YORK - Reducing the number of style changes in dress from eight to six annually, is an

appeal to be sent out to women of the United States, which appeal, it is expected, will deal a body-blow to the high cost of living. This action was taken by a conference called by Mr. Palmer, Attorney-General of the United States, which is examining the causes of the present high cost of living and seeking a remedy for high prices. The conference formulated the appeal to the women of America to further economy and reduce extravagance.

1944: Reich in Peril

LONDON - From our New York edition: Old men and boys and "if need be women and girls," were ordered to defend Germany with guns, swords pitchforks, scythes and clubs, as Adolf Hitler proclaimed tonight [Oct. 18] the formation of an

armed home guard for a last-ditch defense of the Reich.

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The Old Roots of Vichy Still Feed France and Europe

PARIS — The debate over Vichy has taken a new turn in France since President Francois Mitterrand acknowledged widely held abroad that the French have failed to confront the reality of their wartime past. This is not true. Since the American historian Rohert Paxton hroke the silence in 1972, with his study of the Vi-

10 m

chy state, there has been constant discussion. There have been films —
"Lacombe Lucien," "Shoah,"
"Monsieur Klein," "Au Revoir ies Enfants' among those known abroad — and many books, including a recent account (by Henry Russo) of how the memory of Vichy has itself evolved during the postwar period ("The Vichy Syndrome," published in the United States by Harvard University Press). A weekly program on the French-German cultural television channel Arte has since 1990 presented the wartime newsreels shown in theaters ex-actly 50 years before, with comment by historians, and Vichy's newsreels have been part of this, with all of their shameful

"Savior of France." The new development in recent weeks has been an emphasis on the continuity of past with present, which Mr. Mitterrand and many of his generation have stubbornly denied. Yet Vichy was the product of intellectual and political forces very important in prewar France, which since have influenced not only what France has become but the European com-

evasion of the realities of the

war and their nauseating syco-

phancy toward the marshal,

nunity as well. The president continues to insist that Vichy has nothing to do with the history of republican France, even though it was the Parliament of the defcated Third Republic which voted full powers to Pétain. This attempt to cut those four years out of French history obviously has served those with things to hide, but it was also a means to reunite postwar France,

The Bomb, Then and Now

(Opinion, Oct. 12) by Kal Bird:

pose of museums.

Regarding "A Humiliating Smithsonian :Retreat From the Facts of Hiroshima"

... As one who has been responsible for

more than one exhibit at the Smithsonian's

Air and Space Museum, I was surprised to

A stopped watch is perfectly accurate as

to the time at which it stopped. President

Harry Truman and others gave, at that

precise moment in time, their reasons for-

dropping the atomic bomh on Hiroshima

and later on Nagasaki. As we reflect on

that one point in time it is perfectly accu-

rate (i.e. historically correct) to report what

was said then, reported then and written

then - hiked the stopped watch. Any rea-

soning based on subsequent musing, re-

flections or third-hand comments, or biog-

at the time - are pure speculation and

In any case, such didactie arguments

have no point in a museum of history. Such

discussions should not infiltrate their way

into what should be, after all, a pure (factual) recollection of precise moments of

the past. Let's not allow a resetting of the

watch to our epoch in a way that some

people may feel is more morally correct. If

twe allow such changes, we will continually

have to adjust "history" as our perspective alters. How, then, will anyone be able to

remember the starting point unless it is

reflected somewhere accurately? Surely

Chalmers M. Roberts ("The Revisionists

Aug. 26), tells us that "more than

Err: The Bomb Was to Save Lives," Opin-

12,000 Americans died in taking Okina-

wa" and that "the Japanese had 110,000

military and perhaps 150,000 eivilian

deaths, many of them suicides." Putting

the civilians aside, that means military

losses of roughly 10 Japanese for each American lost. This is confirmed by the

global result of the Pacific war: There

were about 900,000 Japanese military

deaths as the result of U.S. action, and

According to Mr. Roberts, Harry Tru-

man used the bomb to prevent "an Oki-nawa, from one end of Japan to the oth-

er," Now, assume that an invasion would

have cost "500,000 to 1 million American

lives," as General Marshall concluded

from extrapolating the losses in Okinawa.

about 100,000 American ones

PETER RIVA.

Wassaic, New York.

that is the purpose of museums.

perhaps best confined to academia.

raphers' interpretations of what was meant

By William Pfaff

Charles de Gaulle's deliber- a handful of collaborators and me extent of his involvement and afterward was to treat the justifies his actions blocking with Marshal Philippe Petain's French as if they had all been wartime regime. The idea is part of the Resistance—all but source that while had all been by source that while had all been b ate (and cynical) policy in 1944 traitors. Mr. Mitterrand today is evident in Mr. Mitterrand's partners." Much of the econo-



Mitterrand's Record Deserves Better

O TALK about François Mitterrand is to start a never ending discussion of French psyche and history. Not everyone he-

lieves that he is getting his deserts.

Mr. Mitterrand has kept the tradition of the role of the intellect at the highest levels of French society.

He proved himself to he a consummate politician and was particularly noted for his tendency to desert friends who proved to be inconvenient. Even with these traits, the Mitterrand chapter is a distinguished one in the postwar history of France.

He shared with many French the tendency to play along with the Vichy regime before he entered the ranks of Resistance fighters. It is his misfortune that the past is now being aired as he fights with eancer. He deserves to he remembered for his other contributions to his country.

LETTERS TO THE EDITOR

do so, this would have meant the deaths

of 5 million to 10 million Japanese sol-

Thus, without the bomh, Japanese losses

ROGER GODEMENT.

Whether likely casualties in an invasion

of Japan would have been one million or

"only" 46,000 will never be known. But the

experience in Okinawa, where horrendous

military and civilian casualties took place,

should provide some basis for estimating

likely results on the main islands. Why

would such an invasion there be different?

hefore Hiroshima, perhaps Kai Bird

should have mentioned the touch-and-go

situation in early August (after the bomh),

when the fortunate inability of coup lead

ers to find the emperor's surrender record-

ing prevented the re-establishment of a

In No Position to Knock Bush

(Oct. 11), is an exercise in delusion.

just north of the Gulf of Aden.

The front-page story "Where Bush Dal-

Had Bill Clinton been in the White

House in 1990, he would have sent Jimmy

Carter to surrender in Baghdad and Cyrus

Vance to negotiate a southern Iraqi border

A president, as commander in chief, has

a sacred covenant with his troops to place

them in harm's way only if he must. For

anyone in the current administration, lad-

en as it is with bellowing huffoons whose

youthful service to their country entailed

pot sessions on English moors, to criticize

George Bush for not expending American blood on a march on Baghdad in 1991 is

the ultimate in self-serving shamelessness.

"Anti-Semitism Among Germans Is Found at a Postwar Low of 15%" reports a

Reuters dispatch published in your edition

of Sept. 6. Admittedly, one can prove any

thing with statistics, and some would

maintain that the figure of 15 percent is a

highly optimistic assessment. What is more

important, however, is the very fact that

anti-Semitism is openly discussed in the

German media these days and that, after a

half-century of teaching and an effort to

Anti-Semitism in Europe

lied in '90, Clinton Leaps Into Breach"

GEORGE TAUCHER.

Lausanne, Switzerland.

hard-line military government.

As far as the surrender being under way

could have been something like 5 million to

20 million lives. Please, try to visualize it.

diers (and perhaps as many civilians).

- S. Nihal Singh, writing in Khaleej Times (Dubai).

chy France with prewar France own prewar and wartime positions and writings, as they now have been revealed.

These are like those of many of his contemporaries, and he entirely within a certain French. but also European, movement of romantic nationalism and rejection of the internationalism and sterile materialism" of prewar

bourgeois democracy. Originally German, this intellectual tradition developed in France after its defeat by Prussia in 1870. A new cult of national unity appeared, critical of democracy, emphasizing a connection between blood and land, the primacy of community over "hedonism" and selfish individualism, the necessity for sacrifice for the nation - and hostile to the foreign and inter-nationalist ideas and values associated with Jews, Freemasons and Communists.

The influences on Vichy were not only reactionary and nationalist. In the 1920s and 1930s social Catholie ideas were im-portant, concerned with protection of workers, the responsibilities of employers and the need for institutionalized cooperational goals, national economic policy, wage levels and social policy. This "corporatism" was meant to replace "anarchic" individualism and put limits on the greed of capitalism.

of all these ideas. It was indeed quasi-fascist, anti-Semitic, and collaborated in the Final Solution. But there was also a division between its collaboration ist or reactionary right and those others - like Mr. Mitterrand - who saw Vichy as an opportunity for a nationalist national revolution." Many of the latter, again like Mr. Mitterrand, later joined the Resistance because they became dis-

illusioned with the regime. Nonetheless, many of their ideas about national communiin many respects a corporatist

forever on memories and bitter-ness." Yet the continuity of Vi-and economic policy is set in consultation with the "social my still is dominated by the state, precisely because many on both right and left see capi-

talism as socially irresponsible.

French society today attaches much higher prestige to the state service, considered disinterested custodian of the nation's interest, than to politics or business. The pinnaele of France's educational system, the grandest of its "gran-des ecoles," is the National Sehool of Administration (known by its French initials ENA), founded by General de Gauile, whose graduates run the most important of France's private as well as public institutions - and which had a predecessor in Viehy's School

This is why it is absurd to pretend that Vichy has nothing to do with the history of the French Republie. It was a product of intellectual as well as political forces influential throughout Europe after World War I. Some of these forces still affect not only contemporary France but what the European Union has become.

for National Cadres.

Thus Brussels's corporatism. tion hy unions, employer emphasis on disinterested techgroups and the state to set na- nocratic administration and distrust of totally uncontrolled market forces, reflect these in-fluences. The forces that made "Europe" what it is include some of those which made Vichy what it was, and which Vichy was in part the product made France what it has hecome. The past, as always, is still present.

> International Herald Tribune. O Los Angeles Times Syndicate.

Keeping Dear Leader's Score

PYONGYANG — The first hole at the Pyongyang Golf Club is a 340-meter (370-yard) dogleg par four, a severe test of skill even for a Greg Norman or a Jack Niek-one of the less incredible of laus. It was a cakewalk for North Korea's "Dear Leader," Kim Jong II, when he gave "on the spot guidance" not long ago at the country's only golf club.

"Dear Leader Comrade General Kim Jong II, whom I

MEANWHILE

respect from the bottom of my heart, scored two on this hole," said the course professional, Park Young Man. Clearly, the mysterious 52-year-old son of the late "Great Leader" Kim Il Sung

is a hero of the golf course as well as of the nation. Mr. Park, who confessed to having never heard of Arnold Palmer, explained that the Dear Leader shot a 34 over 18

one, and did no worse than a birdie on any hole. "He is an excellent golfer,"

holes, including five holes-in-

Mr. Park said. If North Korea is in the dire economie straits that the world suspects it to be in, one possible solution might be this: Launch the Dear Leader on the professional golf tour.

The reports of his recent golf outing illustrate the lengths to which North Koreans go to deify the family that has ruled the country in the name of socialism for five decades. Indeed, in a week of year since 1990. North Korea

By Eric Ellis

the assertions I heard.

Official propaganda has it that the two Kims are respon-sible for everything from the morning sun and harvest rain to world peace and the Mona Lisa (not, however, for the moon landing; no ordinary citizen of North Korea yet knows that there has been such a landing).

This is a nation of roads without cars, restaurants without diners and chimneys without smoke.

It seemed an image of rural harmony in developing Asia
—a woman riding a push-hike
beside a paddy field where
peasants were harvesting rice. But the bicycle carried two oversized loudspeakers blaring jaunty revolutionary song: "Kim Jong II, you are our supreme commander; with you

we will win a great victory."

Her task was to ride up and down a single short stretch of road outside Pyongyang for eight hours a day, every day. The speed of the woman's pedaling directly determined the tune of the song, like a dyna-mo powering a hicycle headlight. If she slowed, the song slurred, and in North Korea nothing is permitted to stop

the revolution. China seems positively liberal compared with North Korea, where the economy has contracted by 4 to 5 percent a also has a history of failing to

repay its dehts.
This is doubtless one reason there is little obvious foreign influence in the country. The doctrine of juche, or selfreliance, promoted hy the Kims, has forced North Koreans to do almost everything themselves. The result: shoddy output - a Communist specialty - and not

much of it. The average shop in North Korea has no foreign goods. In hard eurreney stores, where privileged foreigners and party potentates shop, Chinese goods are considered luxuries.

There is clearly a severe energy shortage. At 6:30 P.M., apartment lights in Pyongyang come on auto-matically, illuminating the portraits of the two Kims portraits of the two kims that every household and public building is obliged to display. At 10 P.M. the lights go off.

North of Pyongyang in the International Friendship Exhibition Center, an eight-stome half-line of the district to the contract that the contract the contract to the contract the contract to the con

ry huilding of traditional Korean design, there are displayed no fewer than 73,035 gifts to Kim Il Sung and 29,831 to Kim Jong II.

Alongside it, a museum is being huilt to house new gifts. apparently in preparation for many years of rule by the younger Mr. Kim.

The writer, Asia correspondent for The Australian Financial Review, contributed this comment to the International Herald Tribune.

ty and national service reapseared after the war. France is Here's How to Enter.

moved from bad historic conscience to a

fairly widespread genuine effort to under-

stand Jews and Judaism and to combat anti-

Semitism. This is the result of individual as

well as organizational endeavors, which

have their roots in the immediate post-

World War II years, when a German Coor-

dinating Council of Christian-Jewish dia-

among the handful of founding bodies of

the International Council of Christians and

Anti-Semitism is no longer an evil to be

excised only from Germany. ft has become

a European responsibility to ensure that

anti-Semitism, the oldest known malady of

Regarding the report "Cargo Door Broke

Immediately following disasters such as

befell the ferry Estonia, swarms of investi-

gators find cracks in bow-door frame sup-

ports, "inexcusable" ship conditions.

After the Herald of Free Enterprise acci-

dent, "new improved procedures" for such

ferries included making entries into the ship's log and installing video cameras to

police and monitor bow-door integrity.

Undouhtedly, engineers have had many

competent short- and long-term solutions

on their drawing boards since the Herald

disaster, waiting for some cumbersome of-

ficial committee to advise, revise, devise

I am sure families of the Estonia's vic-

tims are comforted knowing the ship went

down with its paperwork in order and

Regarding "Crème de la Crème: The Ver-

Patricia Wells takes us to new gastro-nomie heights with her world's 10 best

restaurants. But I'm not sure what kind of

sensory experience to expect when I get a

chance to try Joel Robuchon's "explosive

macaroni gratin" - after the reviewer ate

it, "the earth really did move" beneath her

feet. Mara Martin's "landmark cuttlefish

risotto" in Venice also caused the floor to

tremble, we are told. Are these two dishes

what is meant by "tectonic plates"? Do we

dare eat them sitting down?

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dict Is In" (Oct. 17) by Patricia Wells:

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prejudice and hatred, be eliminated.

A Full Cargo of Paperwork

Off, Ferry Videotapes Show" (Oct. 4):

sheared pins and more.

and finally compromise.

video cameras ablaze.

10 on the Richter Scale

Jews, whose executive committee I chair.

logue groups, DKR, was set up. This was

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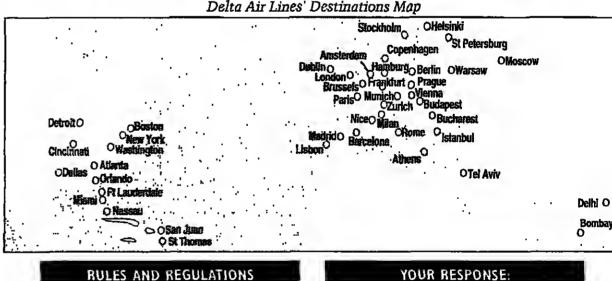
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By John Rockwell New York Times Service

EW YORK — "Why is every-one so interested in Wotan?" asked the Welsh bass-baritone Bryn Terfel with an uncharacteristic touch of coyness. Well, Bryn, here's why, as if you didn't know already.

This strapping young man, who turns 29 next month, has for several years been the most talked-about singer of his generation in the music business (though not among the broader public, at least not yet; Cecilia Bartoli holds that crown).

Matthew Epstein, the Columbia Artists Management vice president who recently resigned as general director of the Welsh National Opera, calls him "the most extraordinary artist I have come across in the past decade." James Levine, the artistic director of the Metropolitan Opera, also calls Terfel's voice extraordinary, and praises his "tremendous psychological in-

sight" into every new role be sings.

To date the signal successes of Terfel have been in Mozart operas and German lieder, and he will try to extend them in New York debut appearances as the title character in "Le Nozze di Figaro" at the Met: in a song recital with Levine at Alice Tully Hall; and as Leporello in "Don Giovanni" (with Leopold Hager conducting) at the Met.

He has also enjoyed triumphs in the mu-sic of the post-Wagnerian Richard Strauss. Yet it is in the socorous majesties of Wag-oer that the operatic world wants most to bear from him, particularly in the role of Wotan, the chief god of the "Ring" cycle. Wagner lovers apparently will oot have

to wait long, despite the cautiooary words

By David Tracey

clastic filmmaker swam with the studio

sharks in Hollywood to make "Endless

Summer II," a \$3.3 million sequel to his

classic \$50,000 documentary that cele-

The oew versioo was favorably re-

viewed in the United States, where it sold

enough tickets to please its hackers at

New Line Cinema, and is now slated for

feature or video release from Europe to

South Africa. But the success has hardly

gone to Brown's head: He's swearing off

Hollywood films for good. "Ever since l

started out people have been telling me,

You have to move to Hollywood or

you'll never make it in the film business.'

I'd rather live in an extended trailer with

no one around than in a mansion in

Beverly Hills with 90 servants. That's the

surfer mentality. It's a question of priori-

ties. A surfer will get some money and

go, 'Now I can take some time off and go

al ranch two hours north of Los Angeles.

Brown, who lives on an isolated coast-

brated surfing 30 years ago.

ANTA BARBARA, California

- Bruce Brown spent the sum-mer of 1994 recuperating at

home. For two years the icono-

of Terfel's close advisers, like Levine and Epstein. Although be bas yet to sing any major Wagner roles on stage, Terfel has already toyed with (but ultimately decayernous low end of the range hut also the

clined) two "Ring" cycles in concert.

His recording of music from "Tannhäuser" and "Die Meistersinger" with Claudio Ahbado and the Berlin Philharmonic on a recent Deutsche Grammophon disk perked up Wagnerian ears everywhere.

A visitor arriving at the Manhattan Center in New York for a conversation with Terfel, only to discover that the recording sessioo was running an hour longer than advertised, was invited into the control booth to hear what was next on the docket.

There, in the television monitors, were Levine, his signature towel over his right shoulder, and Terfel, in a hlue T-shirt and jeans, his long brown hair hanging in limp

The two, along with a herd of Met musicians, were poised for their first complete run-through of the Flying Dutchman's introductory mooologue, "Die Frist ist um." Probably no other Wagner number before Wotan's actual music comes as close to its artistic demands - intensity, tragic weight and the sheer firepower required to compete with a thundering orchestra — as this piece.

Terfel tore into it with savage fury, giving his all. His German was perfect. (Deutsche Grammophon's language monitors ooted two "errors" for subsequent patching, but Terfel later said proudly that they had been wrong.) His phrasing was utterly idiomatic, natural yet full of personality. Above all, his voice seemed to have been designed by a higher power to sing this music: rich in timbre, focused in tooe, nearly ideal in range. (The hottom couple

want to live. Those are the people 1 admire, and that's the reason I live here."

they're punctuated with sly grins — are more than just talk. They reflect the way

he's lived ever since creating his indepen-dent film career in the 1960s, His earliest

8mm scenes of surfing were shown in the

back of a California surf shop at 25 cents

a head. He then showed his movies in

rented halls up and down the West

Coast, splicing footage together in the

back of a Ford van and providing the

He quickly learned "what works to

make audiences laugh and what works to

make them throw things at you," honing

a comic delivery that would later set the tone for the "Endless Summer." But he

didn't think of bringing his work to a

larger audience notil Hollywood started

making surfing movies with Frankie Av-

weren't many of us then - used to hate

those Beach Blanket Bingo movies. We

didn't think they were funny. That dumb

stereotype was insulting. I always

thought surfing was a great sport and

surfers were interesting people, so it kind

of became my mission to show it on film.

"Surfers of the day — and there

Brown's good-natured diatribes -

compromises, lacking oot only a properly cavernous low end of the range but also the ringing top notes of a true haritone. Terfel sounds like a baritooe who happens to have an unusually dark voice.

At the end of "Die Frist ist um," the producers in the control room shook their heads in awe. Levine beamed. And the Met musicians, who have heard a singer or two in their day, broke into applause mixed with cheers; no polite tapping of bows oo music stands here. And that, Terfel, is why everyone is so interested in Wotan.

Terfel was born Bryn Jones; he adopted his middle name, Terfel, as his surname, since a singing Bryn Jones was already registered in Wales. His bometown, Pantglas (Blue Gorge, in Welsh), is small, with the nearest house "two fields away" from

ERFEL'S career, while propelled by word of mouth, was given a big boost hy two competitions. though not, as legend insists, by outright victories in both. He won the Kathleen Ferrier Competition, Britain's most prestigious, in 1988.

A year later, he joined the lists for the Singer of the World competition in Car-diff, where be placed second, after the Siberian baritooe Dmitri Khvorostovsky. Some grumbled that a Welsh competition had gooe out of its way to avoid charges of favoriusm by oot giving first prize to a Welshman, but Terfel says the judgment

something we wouldn't do ooce we'd

grown up. Everybody's parents thought that when we were 30 we'd realize the

Brown targeted the public - rather

than just surfing enthusiasts -- with the

original "Endless Summer" (1966), a

documentary of two Californians who

travel the world in search of the perfect

wave. It was a huge hit, selling \$30 mil-

lion in tickets while striking a chord

among a generation of young people.

powerful mystique of the surfing lifestyle

dom - that still influences the sport.

seven years before filming "On Any Sunday," a documentary about mo-torcycle racing that was nominated for

Brown's independent filming style for

"Endless Summer II" inevitably clashed

In spite of the difficulties, the result

an Academy Award in 1971.

with the hig studio approach.

-a fun, mildly rebellious quest for free-

ROWN turned down requests

to make a sequel ("why do the same thing twice?"), and waited

"Endless Summer" helped define the

error of our ways."

surfing, just to give it some dignity aloog with the other sports. When I was young, people used to think that surfing was to the world," said Steve Hawk, editor of

uon in the music business -- Sir Georg Solti and Giuseppe Sinopoli both invited him for auditions—and his career took off spectacularly.

By now, a mere five years later, he has sung at nearly every famous opera house in the world. He has also recorded frequently, and he boasts an exclusive contract with Deutsche Grammophon (although he has made a few disks with Sain, a small Welsh label, including a much-sought-after "Schwanengesang" and a couple of Welsh projects to come).

The only thing that has put any kind of brake on Terfel's career has been Terfel himself. He resists repertory he considers premature, despite the importuning of impresarios; hence no Wagner to speak of thus far. And he keeps a check on the temptation faced by jet-setting vocal superstars today to overextend themselves.

As far as Wotan is concerned, Terfel has already turned down (after serious consideration) the chance to do the "Ring" in concert with Sir Charles Mackerras in Australia and with Sir Colin Davis and the London Symphony in London.

"I've no space now in my calendar until 1997," he said. "That gives me another three years. After that I think I would consider doing a 'Ring,' but I would like to do it gradually. There are no negotiations right oow. Most of the big companies have new Ring productions already, although I just read in Opera News that the Met wants to do a new 'Ring'."

John Rockwell, a longtime music critic and cultural correspondent for the New York Still, the prominence accorded him in Times, is director of a new summer arts the Cardiff competition attracted atten-

Surfer magazine, "He captures the beau-

ty, the fun and the goofmess of the sport that has defined my life."

The sequel, with the ongoing message

that the world is full of rewards for

anyone willing to follow his dreams, also

shows that surfing in the '90s is now

"I'm real proud of the fact that surfers

are now found in all walks of life,"
Brown said. "You can go to court these
days and the judge will be a surfer. You
might even get a lesser sentence for your
parking ticket."

He is still unhappy with Hollywood's portrayal of surfers, though, who tend to be stoned wave-slaves, but he isn't inter-

ested in making any more feature films.

The mantle has been passed to his son Dana, his partner for Endless Summer

II" and the main reason he agreed to do a

The senior Brown says his more imme-

diate goal at 56 is to get back into surfing

shape "so I can at least paddle out with-

global and multigenerational.



Kurt Rydl and Gabriele Schnaut in "Götterdämmerung."

The 'Ring' in Paris: Don't Mind the Boos

By David Stevens International Herald Tribune

ARIS -- Somewhere in his voluminous writings on the subject.
George Bernard Shaw suggests that his ideal way of experiencing Wagner's "Der Ring des Nibelungen" would be to sit in the back of a theater box with his feet on a chair, listening but not

When the curtain fell on the Théâtre du Châtelet's first of five planned "Ring" cy-cles, after a long summer's halftime break, it sounded as if most of the audience shared the sentiment. The ovations went to the conductor Jeffrey Tate, the Orchestre National de France, and the strong cast of singers. The almost ritual chorus of booing fell on the head of Pierre Strosser, the main author of this production's visual aspects.

It was not fair, of course; it rarely is. Yet Strosser's resolutely minimalist staging and sets, dispensing with most of the artifacts and all of the mystification, has the virtue of leaving a great deal to the imagi-nation. Most of Wagner's more extravagant stage instructions are simply impossi-ble anyway, and in the most celebrated "Ring" staging of the last half-century, the composer's grandson ignored them and

No one complains anymore if Brünnhilde does not ride a horse into Sieglified's funeral pyre, but the folks still want their dragon, even if the beast is only negative publicity by Fafner to discourage visitors. and is clearly audible in the orchestra.

Strosser does supply a kind of vatideville bear for Siegfried to bring home, and a totally unnecessary red kite to visualize the forest hird, but mostly he deals in signs: one tree stands for the forest.

The set for both "Siegfried" and "Götterdammerung" is mainly an open, raked platform with flexible side walls, backed by cloud-scape projections for atmosphere. But the open space was not often enough filled with meaningful movement. a major handicap being a Siegfried who totally lacked the stage presence to go with

Patrice Cauchetier's costumes brought the final two days of the "Ring" into the present century, with the Wanderer too debonair by half in an elegant topcoat and fedora (he collected his spear from the cloakroom just in time for Siegfried to chop it in half) and Hagen and his henchmen looking like a convention of Chicago

Tate took up musically where he left off last June. He is a conductor with a vision of the whole, a sense of dramatic progression, and no taste for luxuriating in sound for its own sake. The Orchestre National, which must be playing the "Ring" for first time in its entirety, distinguished itself on the whole. It does not have the Central European weight usually associated with this music, but it has a warmth and a lean clarity that is not out of place.

S the Wanderer, Robert Hale again brought a formidable stage presence and potent, expressive vocalism to this central character. Heinz Kruse, despite some wanderings from pitch and relatively light of voice, was a satisfyingly lyrical Siegfried. But he is physically unprepossessing, and his character was never more than bumptious. Gahriele Schnaut, statuesque of voice and liguic, survived a rough awakening in "Siegfried" and was the necessary pillar of strength throughout "Götterdämmerung."

Zelotes Edmund Toliver was a powerfully menacing Fafner, even in human form. Kirsten Dolberg, looking like a hag lady on a park bench, nooetheless summoned up Erda's profound wisdom. Doona Brown (Forest Bird) and Marilyn Schmiege (Waltraute) performed their vocal duties impeccably. Kurt Rydl was a suitably thuggish Hageo. Eike Wilm Schulte a hrowbeaten and insecure Gunther, and Malmfrid Sand a pale Gutrune, got up as a Jugendstil bluestocking.

Peter Keller and Franz-Josef Kapellmann were back on duty as Mime and Alberich, but the latter's importance as a character is undermined by the scruffy costume he has been assigned. Whatever else he is, Alberich is no vagrant.

added: "A lot of surfers have figured out It was never my intention to popularize was praised by land-bound critics and by David Tracey is a free-lance writer. Poetic Splendor, or an Evening With a Drunk

Dignity for Surfing: Bruce Brown's Wave

By Sheridan Morley International Herald Tribune

ONDON — Already widely acclaimed at the Edinburgh Festival. Tom Courtenay now comes to the Garrick with "Moscow Stations," the solo show that has hrought him back to the very height of his considerable form. Based on an autobiographical novel hy Venedikt Yerofeev, these notes from the underground are the rambling and random memoirs of a lifelong drunk permanently high or rather low on a lethal mix of beer, paintstripper, lilac perfume and sock deodorizer, presumably shaken but not fair raft of the 1994 actor-of-the-year stirred.

Courtenay's mesmeric, despairing tramp, touring the railway stations of outer Moscow in search of his own lost soul and sometimes even that of his Brezhnev-era nation, is bleakly brilliant and ofteo almost unbearably touching in its gently lyrical defeat.

The mooologue is a constant rebuke to those who believe that it is no fun to spend

an evening in the company of a chronic alcoholic. Courtenay's wide-eyed disbelief is at a world that could have reduced him to this state of vagrant chaos, while all he ever wanted to do was to find the statioo at the end of the line which can still offer birds and flowers and some sort of Great Good Place which in Brezhnev's Moscow

proves unsurprisingly tricky to locate. Out of the detritus of this man's nonlife. Courtenay drags a kind of poetic splendor,

LONDON THEATER

awards in the mooths ahead.

The crucial importance of Sid Field, as recaptured ably by David Suchet in "What A Performance" at the Queens, is that he built a hridge between the old stand-up comics of the Max Miller generation before him to the comic actors who were then able to follow him. Field showed that it was possible to play characters in sketches rather than variations on the old stand-up gags.

UK PREMIERE, NEW PRODUCTION

THE SLEEPING BEAUTY

The Royal Ballet

presents a

ROYAL GALA PERFORMANCE

Royal Opera House - Covent Garden

Field's life and work were shortlived. nel, given that it seems to me the funniest Corrupt and inefficient career manage play about medical quackery since Moment meant that he did not reach Londoo from the provinces until 1943, and by 1950 be was dead of a heart attack at only 45. His few films were disastrous and there is almost oothing left oow save a few crackling radio broadcasts.

Out of those, and a hiography or two, William Humhle has pieced together a bio-drama of considerable dexterity, through which Suchet careers with superb physical

Time and again over these last 20 years it has been Sam Walters out at the Orange Tree in Richmond who has rediscovered lost classics that appear to have missed the attention of entire literary departments at the major subsidized companies, and now he has another. "Dr. Knock" was written by Jules Romains in 1923 and became a fixture of regional and touring theater in Britain op to World War II, whereupon it vanished almost totally.

The mystery is wby it should since have been so ignored on both sides of the Chanplay about medical quackery since Mo-lière's "Le Malade imaginaire."

The plot is simple enough: into a community of happy, reasonably healthy townsfolk somewhere in pastoral France crupts the strangely sinister Knock. He buys a medical practice, and within days convinces the community that they are suffering from a multitude of bizarre ailments which he alone can cure or indeed spell. Like Chap-lin's "Dictator," "Knock" is a terrifying glimpse of prewar fascism in Europe and the ease with which apparently intelligent and caring people could be made to aban-don all their beliefs simply by a traveling charlatan with the gift of the gab.

BOOKS

BABES IN TOYLAND: The Making and Selling of a Rock and Roll Band

By Neal Karlen, 295 pages, \$22. (Kat Bjelland, Lori Barbero and Times Books.

Reviewed by Eric Brace

COUPLE of chapters into Neal Karlen's book "Babes in Toyland," he ootes that "the sight of three women bashing out hard rock was irresistible copy." Would that it were, Karlen spent three years chroni-cling the rise of a Minneapolis

"Babes in Toyland" will explain were as image-obsessed as any some of the alchemy involved in publicist. forming a band, creating new music and staying at it under doubt about it, so it's disapthe most extreme circum-pointing to have so little discus-stances. The book also gives the sion either by Karlen or the uninitiated a clear sense of how band members on the sexual a rock band is marketed today, politics encountered by Babes. in this case by the largest enter- The most informative pastainment conglomerate in the world, Time Warner. Money about the business of rock. But comes first, and artistic and there is nothing unique or illuminative.

in Toyland was hubbling up from the alternative rock undrummer Barbero renews her rederground four years ago, the lationship with her estranged fanovelty of women rocking out ther, with hearthreaking results. did generate a lot of media attention. Karlen, a Minneapolis points. He sidesteps the issue of writer, tagged along as Babes in drug use within the band, though Toyland toured the Midwest in heroin use by others is menan old van, put out a couple of tioned frequently and there are independent records and hints of Bjelland's possible use.

and repertoire) man, Tim Carr. Much is made of the women

Michelle Leon, who is replaced hy Maureen Herman) insisting they don't want to be treated as a "girl band" but as just a rock band. The problem, as they and their pals in such bands as L7, Hole and Lunachicks were all finding out at roughly the same time, was that the media and the record companies cared more about the image than the music. all-woman hard rock band (af-ter whom the book is titled) which was punk in sound and spirit and hard to market on its ter whom the book is time, from tiny bars to the stages of Lollapalooza 1993, and the rether less than irresistible.

The less than irresistible that the women

Sexism is rampant in rock, no

personal considerations nearly nating about Babes in Toyland's always second, in this account. major-label experience. The only Around the time that Babes time emotional depth creeps into

In other areas Karlen disap-

caught the attention of the ma- He writes about Carr's repeated jor labels, here represented by Warner Records' A & R (artists on MTV, then reports without the biggest problem is that Kar-

> cool"). There are several mistakes about the music business (the record "Tim" by the Replace-

irony the approval finally given the three women by MTV's animated adolescents Beavis and making us care whether they Butt-head ("These chicks are break up or get the gold record.

Eric Brace is on the staff of

BEST SELLERS

The New York Times
This list is based on reports from more than
2,000 bookstores throughout the United States,
Weeks on list are not necessarily consecutive. FICTION

t TALTOS, by Anne Rice ____ 2 2 2 DEBT OF HONOR, by Tom Clancy
3 NOTHING LASTS FOREY.
ER, by Sidney Sheldon
4 THE CELESTINE PROPHE.
CY, by James Redfield
5 THE BODY FARM, by Patricial Comment 6 POLITICALLY CORRECT
BEDTIME STORIES, by
James Finn Garner
THE BRIDGES OF MADISON COUNTY, by Robert
James Waller
8,114

8 WILD HORSES, by Dick Francia 12 2 9 THE GIFT, by Danielle Steel 7 12 10 A SON OF THE CIRCUS, by John Irving 11 BROTHERS AND SISTERS,

DISNEY'S THE LION KING, adapted by Don Fer-15 HOLLYWOOD KIDS, by

NONFICTION t BARBARA BUSH: A Mem-oir, by Barbara Bush

2 JAMES HERRIOT'S CAT STOPIES, by James Herrier 3 COUPLEHOOD, by Paul Reject 3 COUPLEHOOD, by Paul Reiser 2 6
4 DOLLY, by Dolly Parton 2 6
4 DOLLY, by Dolly Parton 3 8
5 BASEBALL by Geoffrey C Ward and Ken Burns 3 4
6 ALL'S FAIR, by Mary Matolin and James Carville with Peter Knobler 7 7
7 DON'T STAND TOO C'OSE TO A NAKED MAN, by Tim Allen 11 2
8 MIDNIGHT IN THE GARDEN OF GOOD AND EVIL by John Berendt 5 72
9 THE BOOK OF VIRTUES 5 72
9 THE BOOK OF VIRTUES 5 73
1 THE HOT ZONE by Richard Preston 1 1

1 THE HOT ZONE by Richard
Pression
11 EMBRACED BY THE
LIGHT, by Betty J Eadie with
Cartes Taylor
12 MOTHERLESS DAUGHTERS, by Hope Edetman
13 NO ORDINARY TIME by
Don's Kearas Goodwin
14 BRANDO: Songs My Mother
Tanghi Me, by Markou Brando
with Robert Lindsey
15 RUNNING FROM SAFE
TY, by Richard Bach
1

ADVICE HOW-TO AND MISCELLANEOUS

4 MAGIC BYE II, N. E. Thing

London in the presence of Her Royal Highness The Princess Margaret, Countess of Snowdon on Thursday November 3rd 1994 at 7:00 p.m. in aid of the Royal Opera House Trust Music: Pyotr Illyich Tchaikovsky Choreographer: Marius Petipa Production: Anthony Dowell Designer: Maria Biornson Lighting Designer: Pat Collins Princess Aurora: Darcey Bussell Prince Fiorimund: Zoltán Solymosi Tickets available from £15 to £200. For further details, telephone: (44) 071 212 9462, Charity No. 211659

World Index Approx. weighting: 32% Close: 129.50 Prev.: 129.69

Approx. weighting: 5% Clase: 143.85 Prev.: 143.87

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Tue, Prev, % close change 115,77 116,15 -0.33 119.24 119.64 -0,33 129.80 130.28 -0.37 138.60 138.65 -0.04 106.08 106.89 -0,76 117,01 117,43 -0,36 Services 120.33 120.98 -0.54 Miscellaneous 124.44 125.54 -0.88 For more information about the Index, a bookiet is available free of charge. Write to Trib Index, 181 Avenue Charles de Gaulle, 92521 Neutily Cedex, France.

American TV Invades the World Media Companies Seek Stakes in Networks Abroad

International Herald Tribune, Wednesday, October 19, 1994

By Richard Covington

Special to the Herald Tribune

CANNES — Faced with dwindling growth opportunities in the United States, American media giants such as Viacom Inc., Time Warner Inc., Walt Disney Co. and Fox Inc. are racing one another to stake claims in overseas tele-

vision networks.

Despite a welter of government restrictions that vary from country to country, media industry executives said these companies were snapping up minority ownership in local terrestrial, satellite and cable television channels as quickly as opportunities arose.

Even American telephone companies such as Nynex Corp. and U S West Inc., as well as large cable companies such as Telecommunications Inc. and Comeast Corp., are testing the waters for network ownership, particularly in Britain. These strategic investments are necessarily long-term and clearly not for the faint of heart or of pocketbook.

"None of our channels are going to break even any time soon," Steven Rosenberg, Home Box Office's vice president for international development, said at an international television markets conference in Cannes last week. "We're on a three-to-five-year game plan before we expect to turn profitable."

Yet the promise of expanding outless from London to Beijing and exerting

Their current international TV sales stand at \$3 billion, but with ownership of networks abroad, the potential for revenue growth would take a quantum leap.
Just last week, Viacom inc. launched
VH-l, the satellite music channel, in Britain, at the same time it inaugurated MTV in India. The company plans to

'Our overall strategy lies outside the United States, where our growth opportunities are greater.'

Sumner M. Redstone, Chairman of Viacom Inc.

beam MTV to China in both Mandarin and English by the end of the year. Fox, along with its partners Bertelsmann AG, the German media conglomerate, and Canal Plus of France, has just

announced the relaunching of the finan-cially troubled Vox network in Germany. Time Warner Inc., which owns HBO, will expand on an far-ranging bouquet of acquisitions with the coming launch of Hamburg 1, a TV station.

Buena Vista International Television, Disney's international TV distribution more control over the programming is arm, recently signed on in a joint venture proving an irresistible lure for producers with Luxembourg's CLT Multi Media to of American films and television shows.

ellite and cable channel. The channel is scheduled to begin broadcasting in Germany in January.

Buena Vista is also close to an agree-ment to take a minority stake in RTL in the Netherlands and is "looking into acquisitions into France and Italy." according to a highly placed Disney execu-

The company has been negotiating simultaneously with British Sky Broadcasting and British cable services to expand Disney network ownership by the end of the year.

The venture with CLT provides us with the perfect opportunity to evaluate the potential for similar services else-where in Europe," Michael Eisner, Dis-ney's chairman, said.

Sumner Redstone, Viacom's chairman said: "Our overall strategy lies outside the United States, where our growth opportunities are greater."

Colin Davis, president of MCA TV International, underlined the importance of partnerships with stations in several countries. "All the major studios, without exception, are looking at equity

partnerships," he said.

Typically, the American investors send consultants to work with local programmers. The advantage to the local partners, Mr. Davis said, was that these equity deals guarantee access to American films and TV series. For the U.S. producers, "it's a way of maximizing the

See TV, Page 18

Lively Lending Gives a Boost To U.S. Banks

By Lawrence Malkin International Herold Tribune NEW YORK --- Commercial

banks across the United States did better business and made more corporate and consumer loans in the third quarter, according to upbeat profit reports

issued Tuesday.

But analysts and regulators began warning the industry not to overdo it by repeating the lending mistakes of its past. Third-quarter earnings at major banks exceeded expecta-

tions. Citicorp, the largest U.S. bank and one that was almost given up for dead at one point early this decade, increased its net income 69 percent, to \$894 million, a record return for it for any quarter. As the most international of the U.S. commercial banks, it profited from recovery abroad as well as strong trading profit.

Citicorp stock rose \$1.375 to Earnings at Chase Manhat-tan Corp. and Chemical Banking Corp. were each about 15 percent above last year's third

quarter. Both banks have an-

The big banks made money from what most economists predict will be a temporary full in rising credit costs, and they turned good profits trading in Brazilian securities, which rocketed on the reform program of

nounced continued cost-cutting

and early retirement plans to

boost profit as competition for loan business heats up.

the new government. The question for some is what the banks will do for an encore. The Federal Reserve is expected to raise the wholesale cost of money another notch as the economy steams ahead, squeezing loan margins that this year have helped improve profits for some of the regional powerhouses.

Pittsburgh's Mellon Bank Corp., which serves the industrial heartland, reported a 10 percent increase in revenue from interest income alone. NationsBank Corp. of Char-

lotte, North Carolina, reported a 26 percent increase in earnings Monday on good loan

See BANKS, Page 12

News Corp. Expects \$1 Billion From BSkyB Sale

Compiled by Our Staff From Disputches

ADELAIDE, Australia — News Corp. expects to receive about \$1 billion expected to be used to develop Hong from the partial public sale of British Kong-based STAR-TV, which is 64 persky Broadcasting, the satellite broadcent-owned by News Corp. caster, the company's chairman, Rupert Murdoch, said Tuesday.

The sale, which would reduce News Corp.'s stake in the satellite broadcaster BSkyB to 40 percent from 50 percent, would value BSkyB at about £5 billion (\$8 billion), Mr. Murdoch said at the annual shareholders' meeting.

"Those are very rough figures," Mr. Murdoch said. "It will depend what the market is the day it floats." Mr. Murdoch also said he expected the sale of 20 percent of the company to

Mr. Murdoch said News Corp.'s profit could increase 50 percent in the next two or three years on a 25 percent jump in revenue. The company had net profit of 1.34 billion Australian dollars (\$985 million) in the year ended June 30.

Mr. Murdoch said the company's current financial year was "off to a very good start." News Corp. stock ended Tuesday at

8.40 dollars, up from 8.38 Monday. Mr. Murdoch said revenue at Fox to beam television programs into two-Broadcasting Co., News Corp.'s U.S. thirds of the world's homes when its

take place before the end of the year. television network, was up "strikingly" Proceeds from the BSkyB sale are so far and that revenue at Fox television stations was up 30 percent.

he said the network would continue to expand, particularly in India.

"It is running on budget of a loss of about \$12 million to \$14 million." Mr.

Murdoch said. "If something happens, we may push out to \$20 million."

Asked when STAR-TV was likely to show its first profit, Mr. Murdoch said: "When we stop developing it. It's moving so fact."

ing so fast."
Mr. Murdoch said News Corp. hoped

global system is fully established, dou-ble its present reach.

Mr. Murdoch said News Corp. was STAR-TV, however, could have a loss not in any current talks for major new of as much as \$20 million this year. But acquisitions after a year that analysts acquisitions after a year that analysts described as an aggressive bid to bolster market share through large investments amid swift changes in the world media

industry.

But Mr. Murdoch said News Corp.'s Twentieth Century Fox Film Corp. would set up a film production center in

Sydney for 20 million dollars. News Corp. also said it had signed a joint venture in the northern Chinese city of Tianjin for production of movies and sporting events.

(Bloomberg, AP, Reuters, AFX)

Merrill Lynch Says Net Falls

The Associated Press NEW YORK - Merrill

Lynch & Co., the largest American brokerage con-cern, and Bear Stearns Cos. reported sharply lower profits Tuesday, a sign of this year's financial-market

Merrill Lynch said its net income dropped 36 percent to \$231.6 million in the third quarter. Bear Stearns' profit in its first quarter, which also ended Sept. 30, plummeted 66 percent to \$35.5 million.

MEDIA MARKETS

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After 'The Far Side,' What?

By Andy Meisler

New York Times Service EW YORK — What, exactly, lies beyond "The Far Side"? For the next two months, this question will haunt millions of newspaper read-crs worldwide. Another slightly less cosmic riddle to ponder at the breakfast table: What happens to a sizable literary and merchandis-ing empire when its whimsical creator suddenly decides to lay down his pen and take it easy for the next 30 or 40 years?

Gary Larson announced this month that he was retiring and would stop drawing new installments of "The Far Side," his deeply idiosyncratic, wildly popular, single-panel comic strip. Beginning Jan. 2, his repertory company of talking cows, addled entomologists, joy-riding extraterrestrials, accidentprone deer, garrulous amoebas and others will disappear from the more than 1,900 publications that carry his work.

Mr. Larson, 44, reportedly plans to devote much of his time to guitar practice. He will not be financially challenged by this decision. But left orphaned will be a mini-industry that in 15 years has brought in perhaps \$500 million in revenue.

For the near future, at least, vast numbers of "Far Side" compilation books, calendars and greeting cards will continue to be published, and millions of licensed "Far Side" coffee mugs and T-shirts will be manufactured and sold. But like a tasty lab rat passing through one of Mr. Larson's harlequin-eyeglass-wearing snakes, the business will gradu-

ally diminish in size.

How soon — or even, some say, whether — Mr. Larson's creations will fade from the

marketplace once the daily cartoon disap-pears is the subject of much speculation. Tra-ditionally, comic strips have been handed off to other artists when their creators retire or die, but "The Far Side" is a creation solely of Mr. Larson's unique sense of humor.

"There are two schools of thought on this." said Thomas N. Thornton, president of Andrews & McMeel, the Missouri publishing company that turns out much of the "Far Side" merchandise. "One of them is that without the underlying exposure in the news-paper, demand will drop. The other is that now that we're the only game in town, 'Far Side' fans will turn even more to us."

Mr. Thornton acknowledged that it was "a very bad day" when Mr. Larson, who lives in Scattle, announced his retirement. Andrews & McMeel is a subsidiary of Universal Press Syndicate, a privately held company with 250 employees through which most of Mr. Lar-son's creative output is channeled.

The new year will bring the end of all "Far Side" revenue from newspapers for the syndi-cate, which also handles other popular comic strips such as "Calvin and Hobbes" and

"We're going to have to tighten our belt a notch or two," Lee Salem, editorial director of Universal Press Syndicate, said.

For a pop-culture staple such as "The Far Side," bowever, newspaper syndication is actually a small dog being wagged by a large tail. Although rates are frequently renegotiated and zealously guarded, it is safe to say that newspapers pay \$5 to \$100 a week, depending on their circulation, to run a popular daily comic strip such as Mr. Larson's. That figure

See LARSON, Page 18

Revenue Rise Pushes Up GE Profit

FAIRFIELD, Connecticut

— General Electric Co. said Tuesday that third-quarter profit jumped 13 percent as revenue increased in many of its

core businesses. The industrial-financial services conglomerate carned \$1.37 billion, or 80 cents per share, in the three months ended Sept. 30, up from \$1.21 billion, or 71 cents per share, a year earlier. Revenue

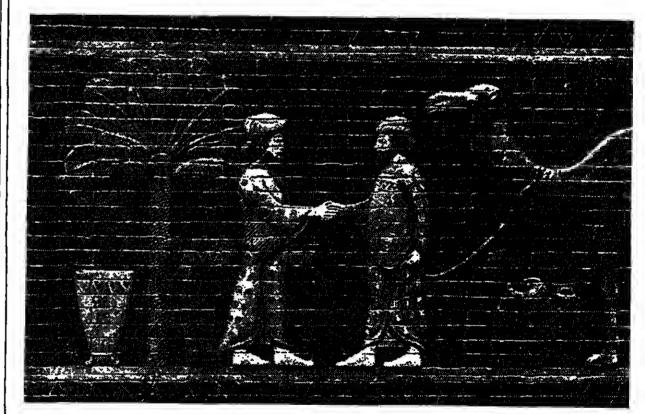
rose 9 percent to \$16.15 billion. GE said revenue rose at 11 of its 12 businesses. Seven reported double-digit gains in operating profits — notably plastics, motors, appliances and infor-mation systems. The aircraft engine unit saw operating prof-

At GE Capital Services, the company's financial services arm, earnings for the quarter rose 7 percent to \$526 million. The results included a previous-ly announced \$85 million thirdquarter loss at Kidder Peabody Co., GE's brokerage firm. Kidder, which is to be sold to PaineWebber Group Inc. in a \$670 million deal. GE said fourth-quarter results would include a one-time charge against earnings of about \$500 million for the Kidder sale.

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CURRENCY & INTEREST RATES

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U.S./AT THE CLOSE

Tobacco Helps Philip Morris Net

NEW YORK (Combined Dispatches) — Philip Morris Cos reported strong third-quarter earnings Tuesday as U.S. and worldwide cigarette sales surged and its food and beer units

Profit rose 27 percent to \$1.23 billion, while revenue surged 10 percent in the quarter to \$16.71 billion.

Operating income from the company's U.S. tobacco units shot up 40 percent to \$863 million, as revenue rose 17 percent to \$2.9 billion. Profit from food operations rose 4 percent to \$7.8 billion; with an 8 percent gain in revenue to \$887 million. Philip Morris stock fell 25 cents to \$61.50. (Knight-Ridder, AFX)

Merck Records 11% Profit Gain

WHITEHOUSE STATION, New Jersey (AFP) - Merck & Co., the world's largest pharmaceutical company, said Tuesday its net profit rose 11 percent in the third quarter, to \$748.8 million from \$705.7 million a year earlier.

Sales soared 49 percent to \$3.79 billion. Merck said earnings per share remained flat at 62 cents largely because the company issued new shares to raise capital to finance its recent purchase of Medco Containment Services Inc.

Excluding the cost of acquiring Medco, third-quarter sales would have risen 15 percent. Merck said the introduction of new products, both in the United States and abroad improved earnings. The company's stock fell 37.5 cents in late trading to \$35.75.

Charges Cause Lotus to Post Loss

CAMBRIDGE, Massachusetts (AP) — Lotus Development Corp. on Tuesday reported a third-quarter loss and a drop in

Lotus said it lost \$66.4 million in the quarter. A year earlier, thet company had profit of \$18.3 million. Lotus acquired SoftSwitch Inc. and Edge Research Inc. during the quarter, resulting in acquisition charges of \$67.9 million. The company also had a

charge of \$9 millioo to cover a restructuring in Europe.

Revenue was \$235.2 million, a 2 percent drop. Jim Manzi, the company's chief executive, called the results "disappointing." The company's stock fell \$1.125 to \$34.9375.

Eli Lilly Third Quarter Net Rises

INDIANAPOLIS. (Reuters) - Eli Lilly & Co. reported strong-third quarter sales and earnings Tuesday, and said it would post good results for the full year.

The company's profit increased 8 percent to \$318.7 million, while sales increased 19 percent to \$1.82 billion. Worldwide pharmaceutical sales for the quarter grew 25 percent, led by strong growth in Prozac, an anti-depressant agent.

Long Distance Brings Sprint Profit

KANSAS CITY, Missouri (AP) - Sprint Corp. said Tuesday its third-quarter profit rose sharply following a 31 percent surge in the operating income of its core long distance business.

Sprint reported a profit of \$230 million, 89 percent higher than

Sprint reported a profit of \$230 million, 89 percent higher than the \$122 million the company earned in the period a year ago. Revenue rose 13 percent to \$3.23 billion.

The company said operating income in long distance was \$165 million, up from \$126 million a year ago, reflecting higher calling rates by customers and greater efficiency by the company. Sprint is the third-largest U.S. long distance company behind AT&T Corp. and MCI Communications Corp.

For the Record

Genentech Inc. said its third-quarter profit more than doubled to \$33.6 million, while revenue climbed 17 percent to \$193.8 million. The company said sales of the drugs Activase, a blood clot dissolver, and Pulmozyme, which is for cystic fibrosis, contributed to the rise in profit.

Polaroid Corp. said a solid rise in sales in Russia and a cut in their own. Union Bank of San manufacturing costs helped third quarter operating profit rise 19
Francisco and Wells Fargo percent to 529.3 million. (Reuters)

Honeywell Inc. reported a 14 percent drop in third-quarter provisions last quarter and in- earnings despite improved sales. Honeywell earned \$69.4 million creased operating profit by down from \$80.9 million a year ago. Sales were \$1.5 billion, up 4

Growing Rate Fears Take Toll on Stocks

Compiled by Our Staff From Dispatches posted small losse. Tuesday as chem and telephone stocks such concern about rising interest as Bell Atlantic balanced gains rates and the weak dollar offset in computer makers Sun Microstrong third-quarter corporate systems and Apple Computer.

MARKET DIARY

erage fell 6.39 to 3,917.54, snapping three days of gains. The Nasdaq Composite In-

dex fell for a third day, dropping 0.97 to 764.81. More than 13 stocks dropped for every nine that rose on the New York Stock Exchange,

U.S. Stocks

where volume grew rose to 259.74 millioo shares on Tuesday from 238.40 million on

Bood prices fell after a Federal Reserve Board governor, Susan Phillips, raised concern ecocomy's fast growth was surprising some analysts. The vield on the benchmark 30-year Treasury bond rose to 7.87 percent from 7.83 percent.

Losses in electrical equip-NEW YORK - U.S. stocks ment companies such as Ray-

The Dow Jooes industrial av
Rising profits are deflecting some of "the coocern about what the Fed is likely to do next month with respect to interest rates or the weak dollar," said Alan Ackerman, market analyst at Reich & Co.

A host of strong earnings anoouncements helped stem the market's losses.

Mooey center banks also announced wider corporate profits. Citicorp rose 1¼ to 44½, and Chase climbed ¾ to 35¼. Apple Computer rose 1% to 41% and Sun Microsystems rose 1% to 324. Both companies reported stronger-than-ex-

pected earnings late Monday.

Lotus Development dropped about inflation by saying the 2 1/16 to 34 after the company reported results at the low end of analysts' expectations.

General Electric eased 1/2 to 49% in spite of a report of rising profit. (Bloomberg, AP, Reuters)

U.S. Trade Data Keep **Dollar in Suspense**

NEW YORK - The dollar pan's monthly trade report, reended mixed against other ma- leased Monday, showed that its jor currencies Tuesday as the trade surptus with the United focus shifted from Germany's States expanded in September. elections to U.S. trade data and the outlook for the Group of ment's data come out about a Seven's monetary policies.

Deutsche marks in New York, up from 1,4980 DM on Moo-day, and at 97.725 yen, up from the focus on Sunday's German

Foreign Exchange

97.650 yen. It also was at 1.2467 Swiss francs, down slightly from 1.2470 francs, and 5.1535 French francs, up from 5.1430

helped in part by a Confederation of British Industry survey to or below expectations, a rally indicating the economy was strengthening.

report that the U.S. trade deficit focus would probably return to in goods and services had nar-monetary policy in Germany rowed from \$11.0 billion the and the United States.

from Japan already had other run higher.

from Wednesday's report. Ja-The Commerce Depart-

month after those from Japan's The dollar was at 1.502t Finance Ministry. Several dealers said Monday's

elections, which caused the dol-

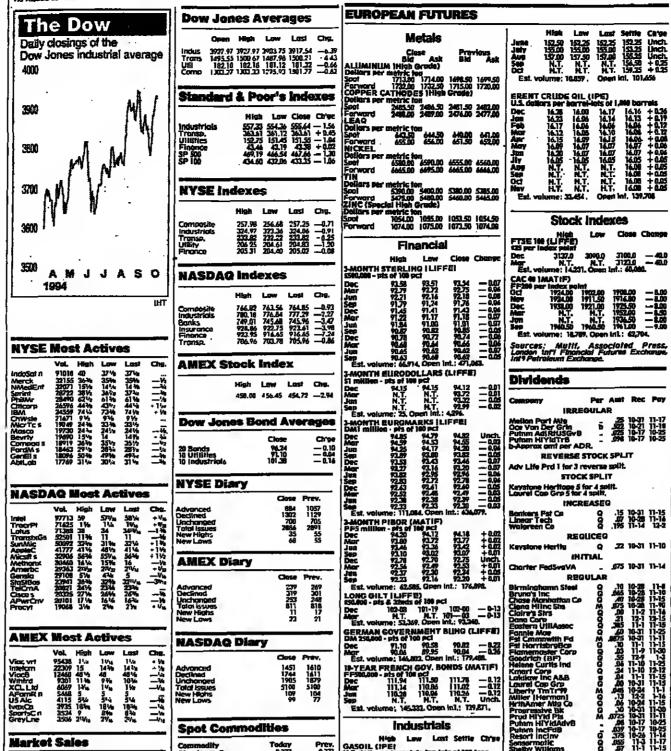
lar to plummet as the mark

strengthened on Chancellor Helmut Kohl's re-election. With the focus now oo trade, one dealer at a European bank francs.

The pound was at \$1.6130, would sell the dollar if the U.S. trade deficit comes out larger than expected. But if it is close

might be difficult. Gary Sakamoto, a dealer with Analysts said they expected NatWest Markets, said that with the Commerce Department to the German elections over, the

He said the combination of a That might be expected to German rate cut and a U.S. rate provide a little support for the increase provided the support dollar, but dealers said data the dollar needed to make an-



BANKS: Active Lending Portfolios Boost Results for the Third Quarter

Continued from Page 11

growth in the booming Southeast. Its managers are keeping more money in cash as a hedge

against higher rates. But BancOne Corp. of Columbus, Ohio, has already been caught short this year by higher rates. Chairman John McCoy said the bank booked more loans but made less money on them because of the rising cost

Some in the industry suspect- and one that we must all watch to coovince skeptics that they ed that after years of rebuilding most carefully." their balance sheets by cutting down on customers' credit. banks were beginning to pursue

loans that would turn around and squeeze their profits. Federal Reserve Governor earn their oext dollar?" Susan Phillips warned banks in a speech Tuesday against sacri- Securities disagreed and said ficing lending standards, say- most banks had been nimble in

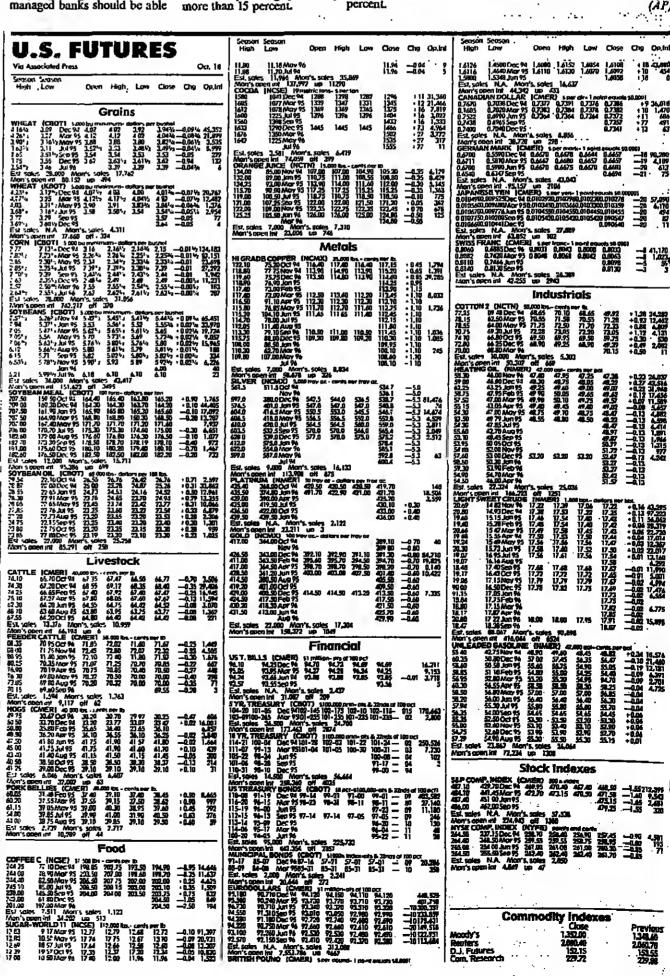
Analysts disagreed on the extent of this problem. David Berry, chief of research for Keefe, borrowers by offering cut-rate Bruyette & Woods, said the temptation to lend was strong because "where will the banks

Stephen Berman of NatWest ing, "Asset quality remains the adapting to higher rates. "Well-principal risk to most banks managed banks should be able

can deliver earnings for a loog time, oot just in 1994 but 1995 and after that," he said.

Even banks in California, hit hard by a real-estate market collapse, are starting to hold both reduced their loan-loss

scrubbed the potential luster (Knight-Ridder, Bloomberg) **WORLD STOCK MARKETS** Forte 234 GEC 285 Gerri Acc 285 Gerri Acc 3.72 Gerond Met 2.73 GRI 1.71 Guilanets 4.72 GRI GRI 1.77 Guilanets 4.72 GRI GRI 1.77 Guilanets 4.77 Hillsdown 1.75 H5BC Hidgs 7.21 ICI 2.22 Incheape 4.74 Land Sec 4.74 Land Sec 6.74 Land Sec 6.75 Lapara 6.07 730 2060 5880 1880 575 876 354 643 1230 2830 1120 2830 1120 779 753 2070 760 2060 5950 1840 576 870 354 635 1230 4590 1430 779 763 2060 780 Schering Schering Stemens Thyssen Varia Veba Viog Viog Volkswose Wello DAX Index Previous: FAZ index Previous: Toronto Astilbi Price Astilbi Price Astirch Econocia Astorna Econocia Astorna Econocia Astorna Econocia Astorna Econocia Benancia Conico Costa Pet Con Occid Pet Con Cocid Pet Con Potilic Costados Paper Controlos Londos Ind Billos Ernoire Co, A Echo Boy Miles Ernoire Co, A Echo Boy Miles Ernoire Co, A Echo Boy Miles Inperio Con A Hemia Gold Horsham Imperial Dil Inco London Insur Go Aucomili Bilestel Mogne Lad Pets Mogne Init A Mogne Init A Mogne Lad Pets Mogne Init A Mo 544 577 744 444.00 244.40 244 444 446.00 244.40 244 547 525 547 525 758 725 758 725 758 725 758 725 758 725 758 725 758 725 758 759 75 758 759 75 758 759 759 758 759 759 758 759 759 758 759 759 758 759 759 758 759 759 758 759 759 758 759 759 758 759 759 758 759 759 758 759 75 Air Llouide Alcolet Alsthorn Bill Bourgues 548 Danone 7250 Corus Correfour CC.F. 715.50 Corus Correfour 7250 Corus 7250 Cor 8.49 17.76 1 Akol Electr Aschi Chemical Aschi Glass Bank of Tokyo Bridgestone Canon Cashi Glass Bank of Tokyo Bridgestone Canon Cashi Glass Bridgestone Canon Cashi Glass Portice P 15.40 10 17.201 10 9.75 10 9 London Abbey Nati April April



Yeltsin Names Acting Chief At Central Bank

MOSCOW - President Bons N. Yeltsin named a new head of the Russian central bank Tuesday, choosing a littleknown deputy chairman to re-place Viktor Gerashchenko and clearing the way for talks with the International Monetary

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Fund on reforms. . Tatyana Paramonova, second-ranking official at the Russian central bank and the one most recently responsible for credit policy, was appointed temporary chairwoman. Her nomination follows that of Andrei Vavilov as acting finance minister last week.

The appointments allow an IMF team, currently in Mos-IMF team, currently bow, to talk to officials who workern have political backing, Western

Brau & Brunen Buys Two Brands To Be Biggest

DORTMUND, Germany ---In a bid to become Germany's largest brewer, Brau & Brunnen 'AG said Tuesday it would buy Bavaria-St. Pauli Brancrei from Gebrüder März AG.

varia-St. Panti braucies, surfaces Ger-"Through the takeover of Bavaria-St. Pauli Brauerei, Brau & man brewing group," the com-70.53

pany said.
The companies did not disclose details of the proposed acquisition. Both companies supervisory boards and the German Cartel Office must ap-

Bavaria-St. Pauli Brauerei makes Jever and Astra beers. It is not related to the maker of St.

März said in August it wanted to sell its brewery business to swollen money supply after the Cut its debt. In the transaction, März kept its Jever, Henninger and Eichbaum brands.

officials close to the negotiations said.

Senior Western economists who have advised Mr. Yeltsin said the recent collapse of the ruble, which was triggered by mounting concern over Russia's economic policies, was a warning that the government had a limited time to reach an agreement with the IMF on a package of economic reforms.

Moscow analysts said the ruble was still unstable, although it held steady Tuesday and was quoted at 2,996 to the dollar. The currency dropped 27 percent Oct. 11 but later recovered most of the decline - though oot before the finance minister and central bank chief had lost their jobs.

"The ruble would fall if the central bank wasn't intervening" Igor Doronin, chief analyst at the Moscow Interbank Currency Exchange, said Tues-

A central bank official who spoke on condition of anonymity said the central bank had spent \$2.6 billion to \$3 billion since August to try to defend the ruble. He said Russia's reserves were low and that about \$1 billion of them consisted of gold. Last week, Alexander Zakharov, general director of the

Moscow exchange, said the central bank had just \$2 billion of IMF officials are in Moscow for talks on a new package of economic reforms aimed at curbing inflation, which surged to a monthly rate of 7.7 percent in September from 4.5 percent

the previous mooth. An agreement would release billions of dollars of financial assistance for Russia, including about \$6 billion to help stabilize the ru-

IMF officials blame the acceleration in inflation on a awarding of large credits by the central bank to various sectors. (Bloomberg, Renters)

State Sales Slow in Italy Berlusconi's Pace Trails Predecessors'

ROME - When Silvio Berlusconi moved into the prime minister's office in May, his government's pro-business platform was expected to result in faster sales of state-controlled companies.

Five months later, bowever, its policy of selling state-owned companies is bogged down and lagging behind the pace set by its

predecessors.

"The general belief is that privatizations have been pushed back," said Allan Raphael, senior vice president and fund manager at the New York-based investment bank Arnhold &

Many analysts say the next sale may be more than a year away.

Giovanni Agnelli, head of Fiat SpA, Italy's largest nonstate industrial group, said recently that the slow pace of state-asset sales was the most disappointing aspect of the govern-ment. The government is doing too little and moving too slowly," he said.

Analysts, political scientists and fund managers attribute the delays to the government's inability to reach agreement on a variety of issues. They also say ultraconservative elements in Mr. Berlusconi's government oppose selling state assets to individuals or private companies and are slowing down the sales.

These same critics, however, concede that the easy sales are out of the way and that those remaining are the more difficult ones. Earlier sales involved companies already opcrating in competitive fields, while the next groups to be privatized are monopolies.

Although investors and economists favor privatization to reduce the government's hold on the economy, many said the delay may turn out to be a positive development if it gives the government time to correct mistakes made on earber sales and solve its own budget

"I think the government is correct to say let's get a handle on the economy before privatizing again," said Paul Dionne, bead of PVD Advisories, a group that represents institutional investors.

It was the government's perceived inability to handle budget problems that sent the stock market reeling in the past few mooths and took the shares of recently privatized companies below their sale price.

In addition, new rules are occded to avoid what happened with some early sales, when groups allied with the powerful investment bank Mediobanca SpA bought enough shares to take control of their boards despite limits on how much each group could control.

"Everyone is in complete agreement that contrary to the original expectations, Italy's privatizations haven't created true public

companies," said Mr. Dionne, Government control of many companies such as the bank Credito Italiano SpA was exchanged for mocolithic control by Mediobanca, he said.

The Berlusconi government has sold a 51 percent stake in the insurance company Istituto Nazionale delle Assicurazioni SpA and part of the state steel company Acciai Speciali Terni. But the groundwork for those sales was

dooe by the previous government of Prime Minister Carlo Azeglio Ciampi. Sales of the telephone company STET SpA and electrical utility ENEL SpA were supposed to take place this autumn but have been put off at least until the middle of next year. Meanwhile, oegotiations for the sale of the food-processing company SME Meridonale and the steelmaker Ilva Laminati Piani are

dragging on.

Mr. Berlusconi says the delays are the result of a series of political controversies that

The general belief is that privatizations have been pushed back.'

Allan Raphael, Arnhold & Bleich investment bank

have left him with little time for anything else. They include conflict-of-interest problems arising from his ownership of a major media company, Fininvest SpA.

But some say the oeofascists in Mr. Berlusconi's coalition are mostly to blame for the delays in the privatizations. Gianfranco Fini, leader of the neofascist National Alliance, has said the government shouldn't relinquish control over "strategic" sectors.

The delays have hurt STET, which has some shares already quoted. Since the Mibtel index of 314 Italian stocks hit its 52-week high on May 10, the index has fallen about 20 percent, while STET's shares are down 25

The government's latest schedule, contained in the 1995 budget, says stakes in ENEL and STET will be sold early next year. It also calls for the rest of IMI to be sold by

the start of 1995 and another tranche of INA to be sold in the second half.

The budget did oot mention Ente Nazionale Idrocarburi SpA, the profitable state energy group that the previous government planned to sell and whose managers are preparing a stock market listing. Mr. Berlusconi's chief of staff, Gianni

Letta, said the omission of ENI was an oversight and that it, too, would go on the block.

Interest Cuts Net at SmithKline

Bloomberg Business News
LONDON — SmithKline Beecham PLC reported a 2 percent decline in third-quarter pretax profit, to £285 million (\$459 million), on Tuesday, as interest charges rose because of major acquisitions the company has made recently.

But the company said worldwide sales rose 8 percent to £1.58 billion.

SmithKline said ioterest charges rose to £17 million in Since Jan Leschly took over

chief executive io April, SmithKline has made several major acquisitions. On May 3, the company bought Diversified, the third-

from Robert P. Bauman as

largest U.S. pharmacy benefits manager, for \$2.3 billion. On Aug. 29, SmithKline an-

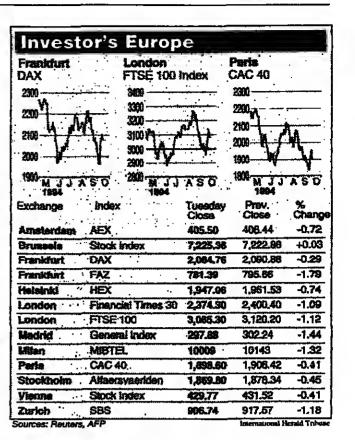
nonnced it would purchase Sterling Winthrop Inc. from Eastman Kodak Co. for \$2.95 billion. Two weeks later, SmithKline sold the U.S. and Canadian arms of Sterling Winthrop to Bayer AG of Germany for \$1 billion.

Sales of new products rose 83 percent, to £341 million. SmithKline said, compensating for a sharp decline in sales of its leading anti-ulcer drug, Tagamet, resulting from competition from generic products.

SmithKline shares fell 7 pence, to 430.

For <u>investment</u> information read

THE MONEY REPORT every Saturday in the IHT



Very briefly:

 Bouygues SA, a French construction company, said first-half net rose 19 percent, to 94 million francs (\$18 millioo).

• Banco Popular Español SA said the bank's total 1994 gross dividend would not be below the 790 pesetas (\$6.30) paid in 1993 and reiterated that the bank expected 1994 profit to be flat.

Union Texas Petroleum Holdings Inc. said it agreed to buy Petrofina SA of Belgium's 11 percent interest in the Britannia, a natural gas and condensate field, for \$190 million.

Morgan Stanley Group Inc. named David Walker, the deputy chairman of Lloyds Bank PLC and a veteran of the Bank of England and British Treasury, as its European chairman.

 Volkswagen AG, Europe's largest carmaker, said it would launch a car by the end of the decade that would go about 100 kilometers on three liters of gasoline (90 miles per galloo).

Spanish financier Javier de la Rosa was arrested in Barcelona, four days after a court issued a warrant for him on charges of irregularities in managing his company, Grand Tibidabo.

• Hoogovens NV, the only major Dutch steel company, said its manufacturing and trading unit planned to form a joint vecture with a Dutch subsidiary of Klöckner & Co. of Germany to be called Hoogovens Handel BV.

• Thomson-CSF SA of France said its first-half oet profit fell 93 percent to 31 million francs because of a 725 million franc loss from its 22 percent stake in Crédit Lyonnais.

• Mercury One-2-One, owned by US West Inc. said it would invest £230 million (\$363 million) to complete the next phase of the planned expansion of its mobile phone network.

Tisesday's 4 p.m.
This list compiled by the AP, consists of the 1,000
-most traded securities in terms of dollar value, it is
updated twice a year.

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All Ordinaries

Composite Stock

Toyota Motor Corp. and Nissan Motor Co., Japan's largest antomakers, said production in Japan had fallen significantly this

• Italian-Thai Development PLC signed an agreement with the

Philippine government that could lead to commercial develop-ment valued at \$3 hillion at Clark Air Force Base, a former U.S.

• General Motors Hughes Electronics signed a \$120 million

contract to supply telecommunications equipment in Vietnam.

• Vietnam said it expected its economy to grow 8.5 percent in

South Korea's President Kim Young Sam said the country's

Singapore Telecom said the world's longest underwater optical

fiber cable, stretching from Singapore to France via the Indian

Ocean, had been switched on, linking cable systems that span the

Pacific and Atlantic oceans to provide a fiber optic path that now

• Japan's industrial production rose a revised 3.9 percent in

August from the previous month, compared with a preliminary

Television Broadcasts, Hong Kong's leading television station,

has received government approval to set up a regional satellite

The Philippines will expand sales of oil and mining companies formerly held by associates of former President Ferdinand E.

economy was set to grow more than 8 percent during the year.

Weighted Price

Nikkei 225

SET

PSE

NZSE-40

year, while production overseas had risen.

military facility, a company executive said.

1994, the largest annual increase so far this decade.

Kusta Lumpur Composite

Very briefly:

Hong Kong

Exchange

Hong Kong

Singapore

Sydney

Tokyo

Bangkok

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Manile

Tokyo Exchange Easing Rules to Keep Listings

TOKYO - Seeking to stem an exodus of foreign companies, the Tokyo Stock Exchange will substantially relax listing requirements, perhaps by the end of the year, the exchange's president, Mitsuhide Yamaguchi, said Tuesday.

The exchange is particularly trying to attract Asian companies, Mr. Yamaguchi noted. Many of those already here are delisting, citing high costs and scant trading in their shares.

At the same time, the exchange is alarmed that some Asian companies are bypassing Tokyo to list their shares in New York.

We would like to make the changes as soon as possible and as much as possible without waiting for the year-end," Mr. Yamaguchi said.

"Many things have been considered to revitalize the foreign section of the exchange. We would like to ease regulations in order to open our doors to Asian companies.

Current guidelines for for-eign share listings focus on companies from industrialized countries, which have been delisting in recent years because of the high cost of maintaining listings and a perceived lack of

LIFFE Weighs

begun talks on a possible

link, the London exchange

said Tuesday.
"The initial focus that

has been given to these dis-

cussions has been the natu-

ral tole that SIMEX could

play in the distribution of

LIFFE's Euromark futures

contract in the Asian time

The exchanges already

NYSE

Tuesday's Closing
Tables include the nationwide prices up to
the closing on Walt Street and do not reflect
late traces elsewhere. Via The Associated Press

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zone," it said.

sell their shares.

were 127 foreign companies listed in Tokyo. listed on the Tokyo exchange's finding a formula for disclo-foreign section. That will drop sure that meets Asian corporate to 93 when the most recently announced delistings take ef-

fect by the end of the year. Mr. Yamaguchi said the ex-change would slash capital requirements, lowering the minimum net assets needed to 10 billion yen (\$102 million) from 100 billion yen. Minimum pretax profit requirements will be cut to 2 billion yen for each of the three years before listing,

door to some foreign companies that are not listed in their home countries, and it is looking for ways to reduce costs of maintaining listings caused by such ments into Japanese, Mr. Yamaguchi said.

to talk to the Japanese government to persuade it to allow

deregulation," he said. The exchange has not offipanies from other Asian counrejected such companies

effort by Japanese brokers to through "guidance" given to sell their shares. Japanese underwriters. No At the peak in 1992, there Asian companies are currently

> needs while satisfying Japanese investors and the Finance Ministry could be difficult, however, some brokers said.

> Investors in Tokyo are eager to buy Asian shares and are doing so on overseas exchanges. "If they are attractive compa-mes, Japanese investors will buy the shares," a broker said.

But another broker said refrom 20 billion yen. laxed disclosure requirements
The Tokyo Stock Exchange is such as allowing the filing of laxed disclosure requirements also considering opening the reports in languages other than Japanese could put off domes-tic investors. "In addition to price risk and currency risk, there is the risk of lack of information as well," the broker expenses as translating docu-said. If the exchange eases disclosure requirements, that helps the firms, but it decreases the On the latter issue, we have amount of information in the form investors want. It's hard to match the different needs."

Concern about foreign listings is part of a fear in Japan of cially barred the listing of com- a financial "hollowing out," in which financial business mitries, but in the past it has grates to other Asian or over-

Boeing Invites Taipei To Help Manufacture A Twin-Engine Jet

TAIPEI - Ronald Woodard, president of Boeing Co.'s Commercial Airplane Group, invited Taiwan on Tuesday to join the company in developing a twin-engine regional jet-liner, and Taiwan officials said the country planned to take a 20 percent stake in the project.

There was no confirmation by the government, however, of the officials remarks.

Mr. Woodard proposed the 100-seat jet project to President Lee Teng-hin at a meeting at the presidential office, said David Chu, director of the Economic Ministry's Committee for Aviation and Space Industry Development. Mr. Chu, who was at the meeting, quoted Mr. Woodard as saying that Boeing also had spoken with China, Japan and South Korea about taking part in the project.

No other details of the project were mentioned, he said. Mr. Woodard previously said Boeing was carrying out feasibility studies with Japan and China that could lead to the

launch of a model within 18 months. Mr. Lee told Mr. Woodard that Taiwan was determined to develop its aerospace industry and upgrade its technology, according to a statement released by the government. Mr.

Woodard promised to transfer technology to the island if the

joint venture deal was struck, according to the statement. Mr. Chu said Taiwan would lose the chance to he an important player in the international aerospace market if it could not participate in the Boeing program.

A proposed deal between Taiwan Aerospace Corp., which is 29 percent government-owned, and British Aerospace PLC to produce regional jets has been stalled since September 1993; the two sides disagreed on the scale of technology transfer.

Taiwan Aerospace two years ago abandoned a \$2 billion plan to buy a 40 percent stake in McDonnell Douglas Corp.'s commercial aircraft unit to produce passenger jets.

(AP, AFP, AFX)

Cosmetics Get Another Look in China

Singapore Link BELJING - At the Shiseido Beauty LONDON - The Lon-Center, well-dressed women who have don International Finanbought 1,000 yuan (\$118) worth of the cial Futures Exchange and center's products get a free facial from the Singapore International elegant masseuses dressed in purple Monetary Exchange have blouses and black skirts.

Across town, at the No. 3 Daily Necessities Chemical Factory, two women in overalls rush to put small bottles below a machine spitting out face cream that retails for just 3 yuan. They represent the two faces of China's

booming cosmetics business, which has grown an average of more than 25 percent a year since 1984. Sales this year will total nearly 10 hillion

yuan, up from 9 billion yuan last year and about 200 yuan million in 1982. "Cosmetics started in China at the imperial court in the Sui Dynasty," said Wen Jie, executive director of the China Associ-

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have an agreement under which the SIMEX may use the settlement price of LIFFE's Euromark contract ation of Refined Perfume and Cosmetics. to settle its own each quarter. "In the 1950s, during the reconstruction

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In those days, the industry was very small. Now we have 2,200 factories pationwide, in all parts of China except Tibet," she said.

Such rapid growth and easy profits have attracted many local companies as well as foreign makers such as Procter & Gamble Co., Shiseido Co. Pond's and Wella AG. Ms. Wen said domestic sales of the 150

joint ventures in the field are running at 900 million yuan, about 10 percent of the market. State firms account for 40 percent, with the rest taken by rural, collective or private companies.

The duty on imported cosmetics is 120 percent, making such products available only to the super-rich.

The industry has grown too quickly, as far as the State Planning Commission is concerned. This month it listed cosmetics as one of 10 sectors in which people should not invest, because there were already more than 1,000 products, many of them stacked in warehouses and unsalable.

Ms. Wen said competition, already

spreading to rural areas, was fierce. "This industry cannot be limited," she said. "It will develop on its own through natural competition. The firms that cannot survive will go to the wall."

One of the main battlegrounds is the media, which profits handsomely from the heavy spending on advertising.

Chen Li of the Li Yuan firm that owns the No. 3 plant said television was the key

The cost of five seconds of peak time on Beijing television tripled to 150,000 yuan this year from last year's level and will rise to 200,000 in 1995, she said.

A horizontal column of advertising in the popular Beijing Evening News costs 15.000 yuan.

Advertising accounts for 50 percent of the cost of bringing an item to the market. she said, compared with 10 percent for production and 40 percent for packaging.

NTT Faces Battle Over Local Data Circuitry

TOKYO - Japan Telecom Co. petitioned the Japanese Ministry of Posts and Telecommunications on Tuesday to or der Nippon Telegraph & Tele-phone Corp. to provide greater access to local phone circuitry.

Japan Telecom charged that NTT. Japan's largest telecommunications company, had ignored a request for permission to use NTT's local circuits for a new type of data transmission service, according to ministry

Japan Telecom said it took the step after the two companies failed to reach an agreement after nearly two years of negotiations.

An NTT spokesman said it was "regrettable that the one side sought intervention of the government while the negotiations are still going on."

Japan Telecom was formed m 1986 after the government stripped NTT of its monopoly on long-distance phone services.

The ministry plans to investigate the matter over the next month or two and then submit a report to Transportation Minister Shun Oide, a ministry official said. Mr. Oide will then make a formal decision on the

matter, the official said, Japan Telecom hopes to pioneer the commercialization of so-called frame-relay data transmission by tapping in to the disputed circuits because operating expenses for the new technology are about a tenth the cost of traditional data-

hon Keizai newspaper reported. The government will probahly come out in favor of Japan Telecom by year-end, according to Kunihiko Kawada, an analyst at James Capel in To-

transmission services, the Ni-

Such a move would be consistent with government efforts to liberalize the industry and spur competition and development on the home front, he said.

NTT's share price fell 4,000 yen, to 889,000 (\$9,035).

figure of 3.8 percent.

television broadcasting system.

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Agence France-Presse

KUALA LUMPUR - Bank Simpanan Nasional, Malaysia's

state-owned national savings bank, has hid for a 70 percent stake in Rakyat First Merchant Bankers Bhd., officials said Tuesday.

"It will be a clean takeover minus debts and liabilities," the savings hank's chairman, Zahid Hamidi said, adding that Rakyat Merchant Bankers would be the bank's merchant banking arm. He said the purchase, to be funded from the bank's internal funds including deposits totaling 4.6 hillion ringgit (\$2 billion), could help the bank rid itself of its "post office bank" image.

Bank Simpanan Nasional in April made its foray into commercial banking by acquiring a controlling stake in Bank Buruh (Malaysia) Bhd.

The Business Times financial daily reported Tuesday that Bank Simpanan Nasional recently submitted a bid for the troubled merchant hank to Deputy Prime Minister Anwar Ibrahim, who is

also finance minister, to establish itself as a financial supermarket.

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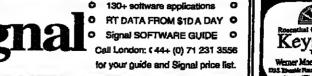
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Tuesday's Closing
Tables include the nationwide prices up to
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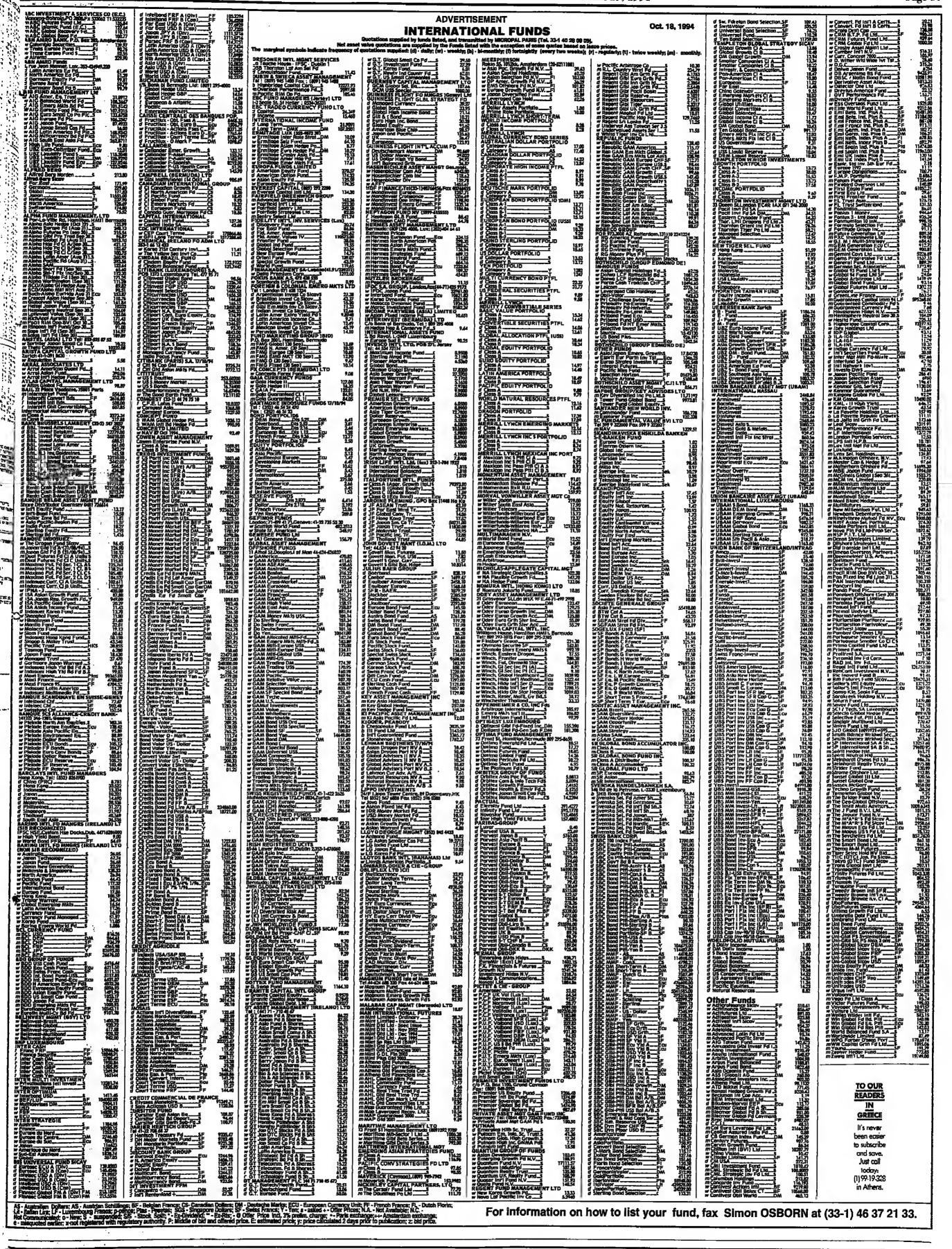
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Mexico Goes Global in Opening of Financial Markets

Mexico's financial markets to the world, the government has announced that it will allow 46 foreign hanks, securities firms and insurance companies to begin operations in the country.

Finance Minister Pedro Aspe Armella said the foreign companies that gained places in the growing Mexican financial services market were expected to start doing business here by June.

Though the government did not act on 50 pending applications to set up mutual funds and other kinds of financial enterprises, it sanctioned nearly all the banks, brokerages and insurance companies that applied.

The welcoming of banks such as J.P. Morgan, Cirihank and Chemical Banking represents a milestone in the economic restructuring begun in 1985 and expanded under the six-year administration of President Carlos Salinas de Gortari. who is to leave office on Dec. 1.

By Tim Golden

New York Times Service

MEXICO CITY — Taking a final step to open the country's 20 hanks and helped plunge the economy into six years of inflationary chaos. The economy into six years of inflationary chaos. The opening of Mexico's financial industry was considered a major U.S. victory in negotiatioos for the North American Free Trade Agreement.

But it is unlikely to have striking effects now. Because the foreign hankers and brokers are expected to focus their business somewhat narrowly and will be limited in the market share they can gain, many analysts say competition will increase only gradually.

"This is certainly going to have an impact." the deputy finance secretary in charge of banking, Guillermo Ortiz Martinez, insisted Monday night, "I don't think it is going to have a dramatic impact or one that happens overnight. But it will certainly contribute to greater competition and lower margins."

Similarly, business is unlikely to undergo radical change at the 16 freshly approved securities

Brothers as well as European companies such as James Capel and Baring.

"For the U.S. houses that already have significant trading activity in Mexican stocks in New York, most of what there will be is a moving of that activity to Mexico," said Justin Manson, who will open a brokerage office for Morgan Stanley. In the short run, the move may end up primar-

image of the government and the relatively sluggish economy, which is to grow 2.8 percent this year, according to the latest official projection.

Mr. Aspe said the foreign financial companies would bring Mexico \$1.2 billion in direct foreign investment. Despite the trade agreement's implementation in January, new foreign investment in

ily giving a modest boost to the beleaguered

pointing \$8.9 billion as of the end of August. compared with \$15.6 billion for 1993. "It's a vote of confidence for the government

Mexico this year had totaled a somewhat disap-

Only a dozen years ago, having defaulted on firms, which include U.S. companies such as foreign debt, the government nationalized 18 Goldman Sachs. Merrill Lynch and Lehman the country's 20 hanks and beload plants the Posth and Posth an

CS First Boston in New York. But from a business point of view, I'm not so sure," he added. "Is there a lot of husiness that these companies are going to be able to do now that they were not able to do before? In some

sectors, competition is already extremely brisk Under the trade accord, American and Cana. dian banks and brokerages are to receive the same treatment from the government as their local competitors. To attract more investors, the Salinas administration extended that protection

to other foreign applicants.

The catch is that each foreign bank will be restricted in the amount of risk assets they can bring to Mexico; none can gain more than a 1,5 percent share of the market. As a whole, foreign brokerages are limited to a 10 percent market share and foreign hanks to 8 percent this year, with the figure rising to 15 percent by 2000.

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LARSON: What Will Happen to 'Far Side' Calendars, Cards and Books Once the Daily Cartoon Disappears?

is doubled when the strip also

runs on Sundays. Although contracts vary, the artist generally splits that revenue evenly with the syndicator. though a powerhouse such as Mr. Larson certainly would have more bargaining power. Mr. Salem estimated that weekly syndication revenue for "The Far Side" was in "the low to middle five figures."

more lucrative areas of licensing and merchandising. After they appear in newspapers.
"Far Side" cartoons are sent on a three- to five-year sequential journey into "Far Side" books. calendars, greeting cards and other products.

During the last 15 years, Andrews & McMeel has printed 26 million "Far Side" books, most iddle five figures."

of them paperhacks selling for the same revenue-sharing \$5 to \$13. Of the 19 "Far Side"

formula holds for the vastly titles published since 1980, only Side" cartoons are in the pipethe first one did not appear on line, and retailers are already The New York Times paper-

> For the last 10 years the familiar "Far Side Off-the-Wall Calendar," a small paper cube consisting of 365 tear-off car-toons, has been the best-selling calendar in America. The 1994 edition, which retails for about \$10, sold 5.4 million copies.

New cards, books and calendars bearing recycled "Far

warily contemplating their prospects after Mr. Larson's retirement.

"There'll be strong demand for the book they've scheduled for next fall," said Scott Ferguson, who is in charge of huying humor hooks for the giant Waldenbooks chain, "hut beyond that, without the constant reminder of the comic strip, I think demand will fall."

The son of an auto salesman, sequently canceled it because of ployee and animal-abuse invesigator for the Seattle Humane Society before his first drawings were published in The Seattle

In 1979 he was signed hy the small Chronicle Features Syndicate in San Francisco, and his jects; a "Far Side" special will cartoons began appearing in newspapers throughout the country - a few of which sub- after that, silence.

Mr. Larson pursued careers as a what they considered its "sick" jazz musician, music store em- or morbid humor. Mr. Larson joined the much larger Universal Press Syndicate in 1984 and the merchandising and publis! ing juggernaut picked up steam

Lately, Mr. Larson has busied himself with animation proappear on the CBS television network next Wednesday. Soon

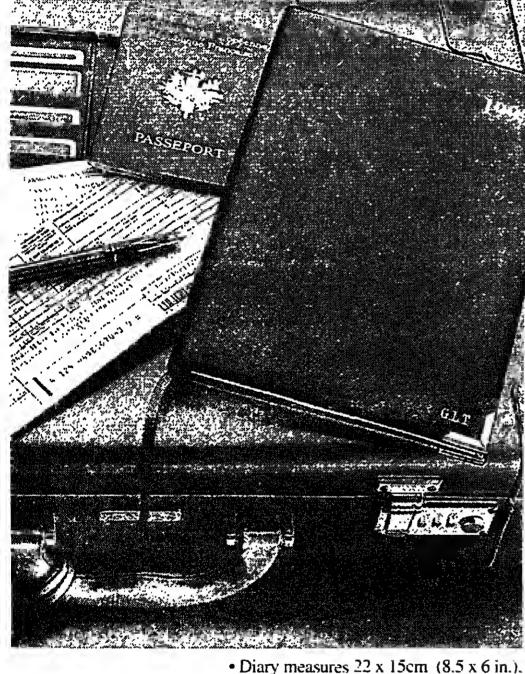
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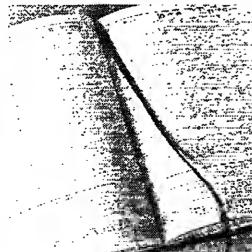
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\mathbf{TV} : Firms Buying Internationally

Continued from Page 11

value of your library," he said. Another ohvious advantage for American partners is the preference that governments are likely to give their own hroadcasters. While wholly U.S.-owned hroadcasters such as NBC's Superchannel and Turner's Cartoon Network are reaching a record number of meeting herce resistance from government regulators, particularly in Belgium and France. Under present European Union restrictions, the majority of programs on European TV

EU member countries. But despite the advantages of in one prospective deal in-buying into networks all over, volving Columbia in the pur-

executive said. "You have to be damn lucky consortium competing for ad-that the macroeconomic factors vertising on the one hand and

there's a downturn in the economy, you could be the smartest executive in the world, and you could not fight the tide."

With all the investment activ-

ity, Mr. Granath of ABC sees an inevitable shakeout of overly optimistic ventures.

Mr. Rosenberg said, "In Latin America, for example, you might have 40 new satellite European households, they are channels, and that market cannot sustain such a boom."

Nicholas Bingham, president of Columbia Tristar Television, said, "There is another risk that American program suppliers investing in local channels could stations have to be produced in alienate their existing custom-

the television terrain can be a minefield for unwary investors.

"Some of the stations up for sale are poisoned chalices," one us realize they were not thrilled at the idea of us being part of a are working in your favor," Mr. continuing to sell them pro-Rosenberg of HBO said. "If gramming on the other hand."

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Emrique Iglesias, President, IDB

Conference Date: Thursday, November 3, 1994 Hotel George V 75008 Paris 3:00 pm - 6:00 pm

For additional information. please contact Mr. Thierry Courtaigne at Club Europe Argentina 31, Avenue Pierre 1er de Serbie 75784 Paris Cedex 16 Tel: 40 69 44 32 Fax: 40 70 96 47

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SEWING UP THE FUTURE: TEXTILE EXPORTS FROM THE SUBCONTINENT TAKE OFF

It is boom time for Indian textile exports these days as modernization, improved quality, aggressive marketing and government assistance help to boost the industry's results.

Targets set by the governof India, told Mr. Swamy ment for the textiles industry will certainly be exceeded. The targeted growth for this year is 12.8 perceat, to \$9 billion. During this year's first quarter, a jump of 19.3 percent has already been recorded, to reach more than \$2.068 billion; the comparable figure for last year was \$2 billion.

G. Venkat Swamy, India's minister of state for textiles, was understandably pleased during a meeting of the parliamentary consultative committee of his ministry in August, when he said that the industry was well on its way to beating targets. The country's textile trade, which currently accounts for 20 percent of industrial output, represents 28 percent of

At the National Garment Fair in July, Ashok Rajani, president of the Clothing Manufacturers' Association

that the industry could easily attain a performance of \$10 billion with modernization, upgrading of quality, aggressive marketing and government assistance. The garments industry, which Mr. Rajani represents, currently contributes some 16 percent to total Indian export earn-

Textile exports (excluding handicrafts, jute and coir) jumped more than 30 percent between April and June this year. The international market scenario has greatly contributed to this growth, as have government efforts to steadily liberalize and deregulate the policy environment for exporters.

A range of fabrics India's cotton textile exports

comprise a range of fabrics, both gray and processed. high-quality cotton yarn and various types of manufactured articles. The current growth trend actually began after 1991. In the subsequent two years, exports of piece goods moved up from around 14 billion rupees to 20 billion rupees (\$447 mil-

lion to \$638 million); that of yarn and sewing thread from 8.63 billion rupees to 14.67 billion rupees, and manufactured articles from 28.48 billion rupees to 46.26 billion Textile exports from the

country have been on the rise for three years now, touching an all-time high of \$8 billion in 1993-94; this represented a 20.8 percent jump in dollar terms and more than 30 percent in rupee terms over the previous year. Last year's exports also exceeded the targeted \$7.8 billion.

The impressive show is evident in all sectors of the textile industry, including cotton textiles, woolen tex-

tiles, man-made-fiber textiles, ready-made garments, handicrafts and coir.

In the long term, the quota regime that prevails under the Multi-Fiber Agreement will be dismantled over a from July 1, 1995), as set out under the terms of the Uruguay Round agreement on textiles and clothing; this will further boost opportunities for Indian textile exporters in world markets. On the home front, the easing of import duties on capital goods for the export production of textile manufacturers has lubricated the growth path. This measure has come along with special arrangements for duty-free import of raw materials, increasing availability of export credit and full convertibility of the

New markets

The growth of Indian cottontextiles exports has been more pronounced this year in nontraditional markets such as South Korea, Japan, Hong Kong, Taiwan, Mauritius, Singapore, Malaysia and Sri Lanka, The growth in exports to India's traditional markets - such as the United States, the Middle East, European Union countries and Bangladesh - has been relatively slower.

rupee on the current account.

Garment exports form the tile exports, and the target set for this segment of the industry is \$4.2 hillion this year, much higher than last year's actual performance of \$3.7 billion. The major importing countries of Indian ready-made garments are the European Union, the United States, the United Arab Emirates, Japan and Switzer-

While the dismantling of the MFA in the post-GATT era will help Indian exporters, it should be noted that the agreement did provide the industry with a protected market. The quota 10-year period (starting regime stunted export growth opportunities, but industry watchers feel that it may have made Indian textile exporters somewhat

> complacent. With a miniscule market share of just about 2.4 percent in the international textiles trade, Indian exporters will have a tough time battling not just established exporting countries in the arena, but also the newly emerging exporters from Indonesia, Turkey and Viet-

Everyone is eyeing the Indian market." says Raakesh Bhargava, vice president for exports at VXL India, a 4-hillion-rupee company that focuses on woolworsted-fahric exports. "The scenario will change drastically. The Indian government is contemplating the opening up of the textiles market to imports from overseas. That will change the home market dramatically, text.

A taste for quality.

Committee, the Cotton Tex-

Rayou Textile Export Pn-

motion Council, the Indian

Woolen Export Promotion

Council, the Jute Manufac-

turers Development Council

and the Handloom Export

fabrics, colors, styling, yarns

identify new partners for in-

vestment, development and

joint ventures, It also hopes

to use the platform for Indi-

an textile exporters to better

Promotion Council.

Industry trade fair The export effort of India's textiles industry should find a useful platform at TEXhiggest chunk of Indian tex- STYLES INDIA '95, a specialized event focused on the textiles and furnishing industry that will he held in

Bombay Jao. 18-21, 1995. The event's organizers comprise a virtual Who's Who of the Indian textile industry: the India Trade Promotion Organization, in collaboration with the ministry that dictate demand.

Promising prospects

All things considered, the future of the Indian textiles industry is bright, and the reasons are not hard to find. Consider these trends: the increase in global demand for cotton products, the strict adherence to quality parameters, the availability of raw material at reasonable prices, and the upgrading of technology in spinning and weaving with policy liberalization.

In cotton, India has an edge over several of its competitors in the world markets in that it grows its own cotton. The country's textile industry is also predominantly cotton-based, with 73 percent of the fabrics consumed being made from cotton.

Lahor is another strong advantage, and costs are low. Apart from lending a competitive edge to its exports in the world markets, India's labor advantage will continue to attract manufacturers from developing tiles Export Promotion Council, the Synthetic & countries, where rising import and labor costs are playing havoe with market competitiveness.

Silk Export Promotion Council, the Wool and "With the future projections of reduction in the cost of finance, a scaling down of the tax incidence (customs and excise), raw materials will be available at interna-TEX-STYLES INDIA '95 tional prices," says Kamal Ranka of the Modertt group aims to give the world an overview of Indian textiles. of industries, a leading player in the textile-exports marand manufactures in order to ket. "This will make our exports highly competitive and will create excellent de-

mand, at least until the turn

of the century."

Making a name Another major player in the Indian textiles industry that is fast making inroads in world markets is GSL (India), a Bagrodia group com-pany headed by R.C. Bagrodia; its name is known in the markers of Switzerland, Britain, Italy, France,

ers. A manufacturer of speciality gray and dyed fancy changing preferences of twisted yarns for premium world markets. suitings, shirtings and finish-

Turkey and Iran, among oth-

ing fabries, GSL (India) also makes acrylic yarns, 100percent-polyester sewing threads and polypropylene yarn for industrial filters and for export, GSL has won several awards in industrial safety and in export market research, including the European Market Research Center Award in 1992. The company is currently expanding capacity at its Ra-jpipla facilities at a cost of 290 million rupees.

Quality awareness

Increasing quality awareness among Indian textiles exporters has ensured that over the years, quality improvement has been considerable. Specific areas where India has scored striking success are in denim, printed dress materials and terrycloth tow-

Much of the quality consciousness and penetration of export markets has been made possible by active support from the Textiles Expart Promotion Council (Texonocil), which has been in existence for some 40 years now.

Market surveys, the dispatching of delegations to international fairs and the organization of huver-seller meets and exhibitions abroad form a critical part of Texprocil's strategy in boosting Indian textiles exparts.

Grievance procedures for ludian exporters, be it with governmental agencies or with importers in foreign countries, is another key area of the council's efforts.

The council also monitors the textile quotas earmarked to India from countries such as the European Union nations, the United States. Normay, Canada and Fin-

The Textiles Export Promotion Council has offices in Frankfurt and Hong Kong that act as ambassadors for Indian textiles in the European and Far Eastern markets, evolving competitive strategies that lay the accent on real-time responses to the

Kiron Kasbekar

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understand international of textiles, the textiles comcompetition and put a finger missioner, the Textiles on the pulse of market trends

2000 years after Herodotus described the Indian cotton plant, the British began to take an interest. Then in the 17th Century direct trading of cotton goods to Britain began. These goods were named Calico. It became clear that the strange and exotic had become the fashionable. Even Daniel Defoe conceded - the dictates of parliament do not always stand out against the dictates of fashion.

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SPORTS

Trabzonspor Upsets Aston Villa on Late Goal

Compiled by Our Staff From Dispatches Striker Orhan Kavnak headed home from a corner 14 minutes from time to give Trabzonspor a I-0 win over Aston Villa in their UEFA Cup second round first leg on Tuesday in

The English side, who put out holders Internazionale Milan in the first round, looked on their way to a scoreless draw that would have set them up nicely for the second leg at home when Orhan surged through to meet

EUROPEAN SOCCER

Hami Mandirali's corner with a powerful header that gave goal-

keeper Nigel Spink no chance. The Turks started well with quick attacks down the wings and defender Phil King had 10 kick the hall off his own line from Cengiz Aulla.

But midway through the first half Villa took control, picking holes in the home defense, wearing down the Turks and holding the hall in midfield.

In other first leg, second round UEFA Cup matches Tuesday:

Trelleborg 0. Lazio 0: Trelleborg FF, a team of part-time players from a small town on Sweden's southern tip, surprised European soccer fans by drawing Lazio of Rome.

In a game played in freezing temperatures in Trelleborg, the Swedish players managed 10 neutralize the stars of Lazio. which currently occupies the third position in the Italian

Sinn 2, Olympique Marseille 0: Switzerland's Sion, playing at home, upset the French powerhouse Marseille as Raphael Wicky and Adrian Kunz netted balls in the first half.

The Swiss side — which is currently trailing in the domestic league - dominated much of the match and missed several scoring chances,

Dynamo Moscow 2, Real Madrid 2: In Moscow, Chilean striker Ivan Zamorano capped a flurry of second-half scoring with an equalizer in the 73d minute to give Real Madrid a

Real Madrid took an early lead, capitalizing on a lapse hy the Dynamo defense. Emilio Butragueno stole a bad pass and fed to Sandro, who did not miss his chance. Igor Simuten-tor scored an equalizer on the kov scored an equalizer on the 65th minute. Then, four minutes later, Dmitri Cheryshev put the Russians briefly ahead on a mistake by Spanish goalie Santiago Canesares.

UEFA Cup Results

SECOND ROUND, FIRST LEG Kispest Honved G, Bayer Leverkusen 2 Scorers: Markus Muench (16th), Paulo Ser-

GKS Katowice I, Bordooux 0 GKS Kahawice I, Bardoaux ®
Scorer: Zazislaw Strolek (87th)
Trabzonspar 1, Aston VIIIa ®
Scorer: Orhan Kaynak (78th)
Real Madrid Z, Dwanne Moscaw 2
Scorers: Real Modrid — Sandra (21s1), Zemorane (73rd); Dynama Moscaw — Simulankov (65), Cheryshev 169)
Slovan Bratislava 2, Barwsila Dortmund 1
Scorers: Slovan Bratislava — Stefon Rusnak (50th, 60th); Barwsila Dortmund — Andreas Moller 118th)



Janos Matyus of Kispest Honved sent Paolo Sergio of Bayer Leverkusen flying in their match on Tuesday in Budanest.

tional striker Nicolas Ouedec scored twice to give French League leaders Nantes a comfortable home win.

Newcastle 3, Bilban 2: José Angel Ciganda and substitute Gonzalo Suances stunned New-castle with late goals Tuesday as the English team saw a threegoal lead become 3-2 against Athletic Bilbao.

Ruel Fox, Peter Beardsley

Nantes 2, Tekstilshchik Ka- in charge at St. James' Park by myshin 0: The French interna- the 57th minute before the Basque team hit back. Ciganda hit the first in the 72d minute and Suances beaded another eight minutes later.

Kaiserslautern 1, Odense BK 1: Kaiserslautern fought from behind to salvage a draw at home against Odense BK.

Odense, seeking to become the first Danish team to win in Germany in a European club competition, went ahead in the

mingsen drove in a right-foot shot from nearly 30 meters that found the upper left corner.

But only three minutes later, Kaiserslautern finally cracked Odense's uncompromising defense and tied the score. Boavista 1, Napnli 1: In

Oporto, Striker Benito Carbone saved Napoli's night, matching Erwin Sanchez's first-period effort to earn the Italians a 1-1

Bolivian striker Sanchez

blasting the ball in from seven meters in the 26th minute.

Twelve minutes into the second period. Carbone took a center pass and charged the goal, chipping a hlooper over keeper Antonio Luis's head for

Maritimo 0, Juventus 1: Fabrizio Ravanelli scored in the 78th minute to give Juventus of Italy the victory.

Widening Horizons for NBA

Warriors Win

The Associated Press

PARIS - Chris Mullin

scored 25 points to pace the

Golden State Warriors to a

132-116 victory on Tuesday night over the Charlotte Hor-

nets, as the National Basket-

ball Association opened its

nets, for which Nelsons were

in town. With the NBA

claiming to be the world's largest provider of sports programming — its games are televised in 140 countries —

the league is earning a Holly-wood mysuque. More and

more American talent scouts

are traveling abroad, search-

ing for players to make into

"You still see some cluhs believing the NBA is the best

in the world and we don't

need any foreigners — that kind of mentality," said Net-

son, 32, who became his fa-

ther's top assistant this year.

"But out of 27 teams, I'd say we have 15 to 18 who do Eu-

ropean scouting."

Many of them limit their

scouting to the Olympics, the

European Championships

and maybe one of the club

cup competitions. They be-

lieve the best players will sur-

face there, but to Nelson,

that's as wrong-headed as scouting the U.S. Final Four for the best U.S. collegians.

aware of how to find players over here," he said, "There weren't really scouts, per se. Each team had a network of

"At first I wasn't really

European tour.

By Ian Thomsen International Herald Tribunc

PARIS - It was a hiccup. a tiny symptom, when Donn Nelson visited the Soviet Union in 1984 with his American haskethall all-star team and found himself being savaged for 40 points by a Lithuanian guard named Sarunas

Marciulionis. The National Basketball Association was just starting to win over American fans. the Soviet Union had no intention of closing up shop, and Donn Nelson of Wheaton College in Illinois, impressed as he was, had no grand visions of putting this unspellable Lithuanian name

on a jersey.
"When I first saw the kind of talent they had over there I had already been scouting for my father for three years," he said. "I knew the players were comparable, that they could

play in the NBA."
His father is Don Nelson, who four years later had left the Milwaukee Bucks and become coach of the Golden State Warriors. By then, the son was a scout with the Warriors. In 1989, having been re-cruited by the Atlanta Hawks as well, Marciulionis decided to join the Warriors - thanks in large part to his friendship with the American he'd torched five years earlier.

Thus did Marciulionis become the first East bloc player to escape to the NBA.

What that helped do, clearly, is shrink the world in a visible way. Eleven NBA games will be played outside America this fall, including the Warriors' exhibition game Tuesday night here against the Charlotte Hor-

coaches and teams over here on a nonpaying basis, and they would just exchange information as friends." In Paris Debut

He made his own friends while touring Europe each summer in college with the U.S. team Albletes In Action. They introduced him to their friends who introduced him to others. He saw more and more players. But he said their talent became illusory.

"It's extremely hard to judge the players in Europe because a lot of times, if you live here, if you reside in Europe, you have a tendency to forget how athletic the NBA is," he said, "Everything is by comparison. After a twoweek period, guys start looking a lot quicker than they

really are."

He has contacts in every haskethall country from France to China telling him bout teenage players. The Warriors' permanent European scout, a Dutch coach, investigates the best of them over the course of three or four years. Then, twice a year, Nelson comes over and decides for himself.

If all the reports are good, if the player's attitude is strong and he is 22 years old — the minimum age for a foreign player to be drafted — the Warriors may take him.

In 1992, they drafted Predrag Danilovic, a Serb who may join Golden State after his contract ends with Buckler Bologna of Italy this season. For every player worth drafting, Nelson figures the

Warriors will scout 1,000. "Sure it pays off," he said. "If you can find a Toni Kukoc or a Sarunas Marciulionis.

Business as Usual: In and Out of the World of Sports, Soccer Holds Sway

ONDON - If soccer could harness half the influence claimed on its behalf this week, then João Havelange is wasted at FI-FA's house. He should be running the United Nations rather than a sport.

I do not mean to be cynical about the game or its unify-

ing dimen-Rob sion. Nor do I doubt that Hughes soccer played a catalytic part in three socio-political stories.

There was Sunday's Asian Games victory hy Uzbekistan, a marvelous expression of nationhood by players representing a former

There was Monday's declaration that officials from Samsung, the South Korean conglomerate, watched a football match in Newcastle before sealing a deal that will create 3,000 jobs in depressed northern England.

There is the work-experience program of 22 Chinese youths, the finest potential soccer players of China's vast population, who are living and learning in Brazil, the land of soccer. Soccer did not cause these three events. It does, because of its simplicity and its ability

to traverse cultural and linguistic differences. offer a vehicle for men who want to trade. Uzbekistan's triumph seemed almost pre-

destined, almost the will of whichever god that small country's mix of Russians, Mongolians. Muslims and Koreans worship. By all accounts, the Uzbeks were overrun throughout the semifinal by the vastly more experienced South Koreans, Yet Uzbekistan won through an inspired, stubborn, outrageously

lucky goalkeeping display hy Yuri Sheikin. Shots struck his chest, his arms, his kneecaps, and stayed out. Then a 40-meter shot, struck more in hope than anticipation hy Azamat Abduraimov, slithered through the egs of South Korea's keeper.

Uzbekistan, in the infancy of rediscovery, had reached the final of a tournament representing three fifths of the world population. Could it now withstand the march of China, whose inexorable efforts on the track, in the pool and the weight room had garnered almost as many gold medals as the compentors of 41 other Asian countries combined?

It could, by heavens. Led by Igor Shkvyrin, a center-forward defying pain, Uzbekistan walloped China, 4-2. Shkvyrin, who earns his living playing for the Israeli team Maccabi Haifa, dodged and wove through a Chinese defense given its master plan hy a German coach, Klaus Schlappner. Shkvyrin, his damaged left hamstring

heavily bandaged, scored the first goal and created two more. Only then did he speak of what drove him.

He spoke not, as one might have imagined. of the pride in his new colors. He did not mention the adrenalin rush from playing a major final in front of 25,000 spectators.

His performance, he said, repaid a deht to Rustam Akramov, the coach who plucked him out of ohscurity in second-division Uzbekistan soccer a dozen years ago. And that is a bond appreciated by players anywhere, in any language.

Twenty-four hours after Uzbekistan put itself on the sports pages, the front page of The Times of London trumpeted: "Canny football move wins Korean jobs for Teesside." It reported that the Samsung deal - to build five factories that will employ 3,000 people and the building work that might match at Newcastle United's stadium.

The claim came from Sir John Hall, a man risen from pit worker to multimillionaire property developer and chairman of Newcastle United, Hall took the Samsung executives to his private hox and reveled in the atmosphere when his side, leaders of the English Premier League, concluded a two-leg 10-2 UEFA Cup victory over Royal Antwerp last month.

"I'd like to think that if Samsung had any doubts about choosing the Northeast," he said, "the night at St. James' changed their minds. They are mad keen on football in Korea."

T NDEED, the South Koreans are mad keen 1 on winning the right to stage the 2002 World Cup. for which Japan is favored, Behind the soccer story lies the fact that Hall owns the grounds on which the factories will be built

That's business, That's sport. That's what makes the world go around. There was another UEFA Cup game at Newcastle on Tuesday night, and sure enough a Newcastle trade mission plans to send 20 ambassadors to Bilbao for the second leg in a fortnight.

All this serves to tell how sport and business were perhaps ever entwined. In 1898, workers from northeastern England took a hall to Spain, where, between helping build shippards, they formed the first soccer team that Newcastle United now faces.

I wonder if, in time, Brazil will meet China of Juquinba, south of São Paulo.

to be future soccer stars eat, think and sleep not samba.

sion station is filming every stage of development, and the boys who started this program ing with the times. at the age of 15 will remain until they are 20.

They are children of a revolutionary idea. They are transplants moved from rural China, which has no soccer roots, to rural Brazil." which not only won an unprecedented fourth World Cup this summer but has the tradition and the style that is the envy of every soccerplaying nation.

Whether the soul of Brazilian play, the joy in receiving the ball at your feet and in embracing it with wit and imagination, can be passed from coaches of one culture to boys of another is unclear. Time will be its judge.

WE have never witnessed such an experi-ment before, although Brazilian coaches are legion around the world, from Saudi Arabia to Spain, where Carlos Alberto Parreira, the winning coach of 1994, is trying to impart his knowledge to Valencia

I saw his team play on Saturday. The night on soccer's hig stage? If so, the seeds might be was sultry and passionate, like a night in São being sewn right now on the grassless pitches Paulo. The players included one of his World Cup defenders, Mazinho. But in Valencia, as There, the 22 Chinese youngsters deemed in America this summer. Parreira's style was

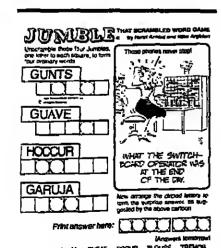
soccer like Brazilians.

He hlends a South American instinct in attack with solid defending from goalkeeper drink company is paying \$1.6 million, a televito midfield. While China seeks to inhale the

Rob Hughes is on the staff of The Times.



IF YOU JUST CLEANED MY ROOM, I HOPE YOU PUT EVERY-



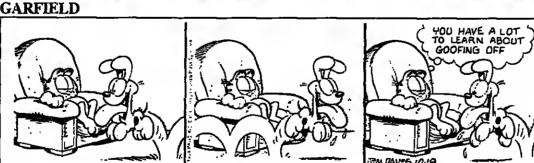
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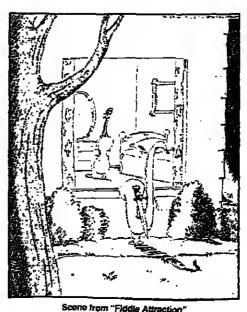
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THE FAR SIDE





SPORTS Faint Rumblings

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Uhr

ries earthquake, there were slight rumblings in the long dormant negotiations in baseball's labor dispute. Forty days after they last held a bargaining esssion, representatives of the players and the owners will lawyers met with Harrington meet in Washington on and Stan Kasten of the Atlanta

W. J. Usery Jr.
Neither side would comment
publicly on the meeting, but on
Monday one person involved in
the talks called the gathering a

W. J. Usery Jr.

"ground rules meeting."

Last Friday, the day he was brought into the dispute, Usery met separately with Donald table, the two sides continued to Fehr, the union chief, and two have their differences. Seventeen of his aides, then with Bud Semore players filed for free agenins aides, then with Bud Selig, the acting commissioner.
Selig isn't expected to attend Wednesday's session, but it will be the first time since Saturday, the first day of the 15-day filing period. The commissioner is since Saturday, the first day of the 15-day filing period. that the two negotiating teams

ecutive, was not in Washington last Friday but is expected to be free agency. there Wednesday. Some owners

By Murray Chass
New York Times Service
NEW YORK — Five years

most likely will include John
Harrington of the Boston Red
Sox, Jerry McMorris of the Colto the day after the World Se- orado Rockies and Wendy Selig-

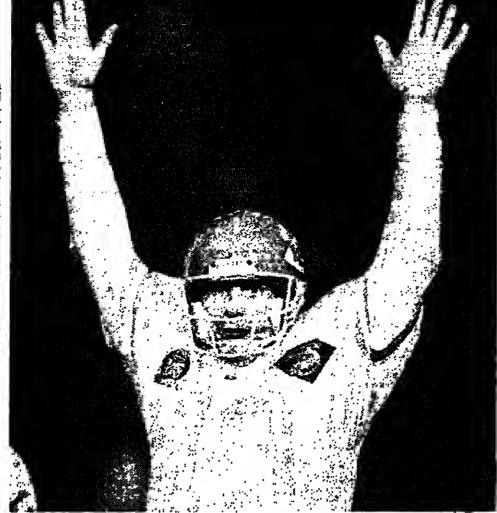
Prieb of Milwaukee.
The last time the negotiating teams met, Selig joined the talks Wednesday with the mediator Braves, but the informal session produced nothing to bring the sides back to the table.

Four days later, the clubs voted to cancel the rest of the season, the playoffs and the World Series, and negotiators embarked on a long hiatus.

As they agreed to return to the They said that Gregg Olson

of Atlanta, Tom Gordon of Besides union staff members, Kansas City, Greg Harris of a large contingent of players will Colorado and Chris Gwynn of accompany Febr. Richard Ra-Los Angeles do not have the vitch, the owners' chief labor ex- required six years of major league service to be eligible for

Those players would have and other club executives also enough service if the days of the will be at the meeting. The group strike were counted.



With 1:22 to go, Joe Montana marched the Chiefs 75 yards for the winning touchdown.

Montana Tames Broncos On Masterful Final Drive

The Associated Press

DENVER - As in a kids' sandlot game, the player who had the ball last won. This time. it was Joe Montana, not John

Montana mounted a masterful march in the closing seconds to lift the Kansas City Chiefs to a 31-28 victory Monday night over the Denver Broncos.

Montana's third touchdown pass of the game, a 5-yarder to Willie Davis with eight seconds left, enabled the Chiefs to snap an I l-game losing streak at Mile High Stadium and give Coach Marty Schottenheimer his first victory there in eight attempts.

The elinching score over-shadowed one of Elway's trade-mark late-game drives, which had apparently secured victory for the Broncos with 1:29 left.

In a wild finish, the teams exchanged fumbles before Elplays. He ran four yards on a quarterback draw for the TD even though the Broncos had only 10 men on the field, putting Denver up 28-24.

The scoring run came one play after his apparent TD pass to Cedric Tillman was nullified. The officials ruled Tillman ing ineligible. It left Montana too much

time, however. After the kickoff, the Chiefs had 1:22 and two timeouts remaining.

The Kansas City quarterback moved his team 75 yards in nine plays, completing seven of eight plays, completing seven of eight seven on the clock. passes and managing the clock perfectly. On three of the com-pletions, Chief's receiver got out of bounds to stop the clock. The last four plays on the

drive were all completions --- 11 yards to Kimble Anders, 12 yards to Derrick Walker, 19 yards to Tracy Greene and, finally, the 5-yarder to Davis. Davis caught the ball at the

goal line, then slipped inside the end-zone marker before going out of bounds.

With the stunning drive, Kansas City (4-2) ended its re-cent futility at Mile High Stadiway took Denver 39 yards in six um. Denver (1-5) lost its fourth straight game at home dating to last season and opened the season with three straight home losses for the first time in franchise history.

"I can't remember when an opposing quarterback did that against our team," Elway said. "Usually, we have the ball last. of Sunday's 19-16 overtime loss

making the catch, thus becom- class act. He's done it his whole

Montana completed 34 of 54 passes for 393 yards with three touchdowns and one interception. Elway was 18 of 29 for 263

A rookie quarterback will start Sunday for the Washing-ton Redskins and it won't be Heath Shuler, The Associated Press reported.

The Redskins' coach, Norv Turner, said Monday he would start Gus Frerotte, a seventhround pick out of Tulsa, against the Indianapolis Colts in place of Shuler, who sprained his right ankle, and ahead of the veteran John Friesz.

"He's practiced awfully well, he had a very good training camp, it's time to get him an opportunity to play and for us to get him going," Turner said. "I think our players will re-spond to him both offensively and defensively.

Turner made the announcement after learning that Shuler will likely be out for at least a stepped out of bounds before You have to remember: Joe's a to the Arizona Cardinals.

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Expos' Alou Named Top NL Manager

Compiled by Our Staff From Dispatches NEW YORK - Felipe Alou, who guided the young Montreal Expos to the best record in the majors before the baseball strike, was a near-unanimous manager of the year.

Alou, the first Dominican Republic-born manager in the U.S. major leagues, received 27 of 28 first-place votes on Mon-day from baseball writers, with Dallas Green of the New York Mets getting the other one.

"This is very gratifying," Alou, 59, said from his home in the Dominican Republic. "But I would trade this for a playoff spot. The one regret I have is

For the Record that we didn't complete the reg-

baseball writers decided to vote despite the players' strike.

steady improvement in Alou's was damaged in a collision with an unknown object. (Reuters) two-plus seasons, may have excceded even their own high expectations this year by going SCOREBOARD 74-40. Montreal led Atlanta by six games in the NL East Division when the players went on strike Aug. 12.

Led by Moises Alou, the manager's son, and several rookies and up-and-coming players — such as the reliever
Mei Rojas, Felipe's nephew —

Buffulo
N.Y. Jets Montreal rebounded from a slow start in which it fell 81/2 games behind Atlanta in mid-

April. The Expos, with Larry Walker, Marquis Grissom and the 23-year-old shortstop Wil Cordero sparking the offense and Ken Hill and 23-year-old Pedro Martinez leading the pitching staff, eventually passed the Braves for good in late July and pulled away.

ACROSS

1 Barbecue rods

Newfoundland

€ Trouble

(AP, Reuters) Dollar

14 "Ready -

15 Rap sheet abbr

17 Headed for the hills

16 Kind of acid

SIDELINES

Cubs Fire Trebelhorn as Manager

CHICAGO (AP) — The Chicago Cubs got rid of their 11th manager in 12 years, firing Tom Trebelhorn after a last-place finish in the National League Central Division.

Trebelhorn, 46, hired last October, was the fifth manager fired since

the players' strike ended the season Aug. 12. Chicago finished with a 49-64 record this season, second-worst in the league. Trebelhorn's firing Monday completed a shakeup in the Cubs' front office. Andy MacPhail was hired last month as president from the Twins and Ed Lynch was hired as general manager from the Mets.

choice as National Leagne NHL Stars Get Go-Ahead for Europe

TORONTO (NYT) - Hockey's international governing body has reversed itself on whether National Hockey League players

can work in Europe during a labor dispute.

In a turnaround from an earlier policy statement, the International Ice Hockey Federation told its member federations on Monday that they could sign locked-ont NHL players. René Fasel, the federation president, announced last Thursday that NHL players would not be permitted to play for European teams. But on Monday, he said by telephone from Fribourg, Switzerland, that he had received clarification from the NHL, which "has nothing against players playing for teams anywhere in the world."

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NFL Standings

Son Diego Kansas City Sauttie LA Raiders

It was the first postseason award to be announced. The Michael Andretti and Paul Tracy joined the Newman-Haas IndyCar team Tuesday, replacing Mario Andretti, who retired, and Nigel Mansell, who returned to Formula One racing. (AP) The British sailor Josh Hall was rescued in the south Atlantic on Tuesday by Alan Nebauer, a fellow competitor in the BOC single-The Expos, who have shown banded round the world race, after his 60-foot (18-meter) yacht

Philadelphia N.Y. Glants

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Sampras Leads A Field of 16

The Associated Press LONDON - The men's

Grand Slam champions of 1994 - Pete Sampras, Andre Agassi and Sergi Bruguera - have accepted invitations to play in the \$6 million Grand Slam Cup in Munich on Dec. 6-11.

The tournament, which offers \$1.5 million to the winner, invites the 16 players who have performed the most consistently at the year's four Grand Slams. Sampras won the Austra-

lian Open and Wimbledon, Agassi the U.S. Open and Bruguera the French Open. Completing the field are Boris Becker, Alberto Bera-

sategui, Jonas Bjorkman, Michael Chang, Jim Courier, Stefan Edberg, Wayne Fer-Call (1) 800 882 2884 reita, Gotan ivaniscvic Magnus Larsson, Todd Martin, Thomas Muster, Karel Novacek and Jaime Yzaga.

Wednesday 12, Coventry 12, West Ham 11, Aston Vilia 16, Wimbledon 9, Leicester 9, Queens Park Rangers 7, Ipswich 7, Crystal Palace 7, Evertan 3.

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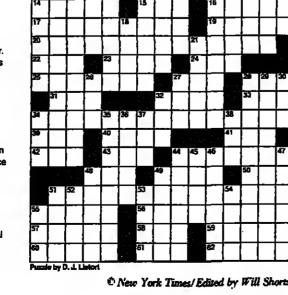
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OBSERVER

In the Cave of the Winds

By Russell Baker

NEW YORK—Three of the Republicans' hrightest turning to Huffington, Romney and North, who yearn you are Huffington. to be senators three. "But why?" you may ask. "And wbo? And how can I tell them apart?" Nothing is easier:

Huffington is chin deep in money, some \$70 million 'tis said. Romney is not Ted Ken-terrifying Boston drivers in that nedy. North wants to abolish maze of one-way . . . the government.

Let's imagine they all are tol Hill. First they must meet Bob Dole.

"So you are Huffington, Romney and North," says Dole. "But first let me guess who's who." And pointing to elected to this — this — what Huffington, says: "You can do you call it?" only be Ronney."

"Dear me!" says Huffington.
"Do you think so? If I am, will you please tell me why?"

"Because you are not Ted Kennedy," says Dole. "Old Ted was around this place for years. I knew Ted Kennedy. You are no Ted Kennedy."

Romney tries to interrupt. Dole scowls. "What's the idea of interrupting when I'm talk-ing to Senator Romney? Who are you anyhow, mister?"

Romney (somewhat timidly): "Don't I look unfamiliar?" Dole: "Don't try pulling anything on me, Buster, or Γ !! have you fillbustered into the next

Congress." Romney (quaking): "Can't you see that I'm not somebody

for years?" Dole is astounded: "By golly, yes! Now I recognize who you're not. You're not Ted Kennedy either. So: Another Romney. Imagine that! Massachusetts has

who's been around the Senate

sent me two Romneys," Naturally Dole recognizes North, the bulletproof-vest tvcoon whose campaign emphasized his determination to abol-

"That means," says Dole, turning to Huffington, "that

"Really?" cries Huffington.
"What a relief! If I'd been Romney it would mean I was from Massachusetts and I'd have to drive in Boston, and I just don't have what it takes to light those

"What's the idea coming in elected - Huffington, Romney bere without money up to your and North - and gone to Capi- chin, Huffington? They told me you were chin deep in money, \$70 million 'tis said."

"Realiy?" Huffington asks. "Is that all? Of course after what my wife spent to get me

Some people, Dole explains, call it the Cave of the Winds, hut if Huffington dislikes poetic metaphor he can call it the

Huffington confesses that he would be pleasantly surprised if, after a campaign so exhaust-ing on his money, he found he still had some \$70 million left. It is easy to foresee Dole get-

ting along famously with Huffington, chin deep in money, and Romney who is not Ted Kennedy, but it will take all his guile to cope with North, who wants to shut down the government. 'When you say 'shut down the government,' my good Ollie,

you mean —" Abolish it. Senate, House, Supreme Court — the whole shebang."

"You think that would stop government from lying to the American people? But what about people on Social Securi-What about husinesses' federal subsidies? What about our salaries?"

Huffington, Romney and North. Ah democracy, you great hig beautiful doll.

New York Times Service

Is Hollywood Set for a Golden Age of Animation?

By Sallie Hofmeister New York Times Service

OS ANGELES - Hollywood animators, Lonce more, are predicting a Golden Age of film animation in the 1990s, with virtually every major studio putting together an animation team that it hopes can replicate the success

of Walt Disney Co. Among the most provocative challenges to Disney's dominance could come from Jeffrey Katzenberg, who in the last decade brought Disney's animation operation to its peak, left the company when he was passed over for promotion, and is now forming a new Holly-wood studio in partnership with Steven Spiel-berg and David Geffen.

"This is not the first time others have said they'd get into the animation husiness," Roy

Disney said in a telephone interview from his home in Ireland.

Disney, with Disney's chairman and chief executive officer, Michael Eisner, assumed responsibility for feature animation after Katzenberg resigned last month. "It takes more money and time than most bave been willing to

Disney has had six consecutive animated hits since 1988, including "The Lion King," this year's second-higgest ticket seller and likely to be the biggest money-maker in Hollywood history, with more than \$1 billion in profits after licensing royalties and video sales are counted.

But Hollywood executives say competing stu-dios, after a string of false starts and close studies of Disney's formula, may finally understand that animation is a distinct discipline from live action films and requires its own staff and culture. Although some executives wonder if the

gushing demand will be there when these projects reach theaters, Warner Brothers has gone ahead and hired people for a new feature animation group, including two former Disney producer/directors. So has Twentieth Century Fox Film Corp., which vows to spend \$100 million, largely on computers, to move seriously into the field.

MGM has formed a new unit and Universal Pictures has kept a hand in through an eightyear joint venture with Spielherg called Amhlimation, part of Amhlin Entertainment.

"This is a tremendous boost for animation, which has been the poor dog in the corner for so long," said Jane Baer, whose Baer Animation Co. in Los Angeles helped Spielberg with animation for "Who Framed Roger Rabbit?" in the late '80s and worked under contract with Disney on "The Lion King." "Katzenberg and Spielberg will be totally inventive. There will be a surprise around every corner. They could break Disney's monopoly on talent."

The One and Only

The Walt Disney Company's domination of the animaled feature film genre is so complete that no other studio has cracked the top 10 in decades. Here are the top grossing animated films through Oct. 13.

			DOMESTIC
Rank, title	Distributor	Year released	gross in millions?
1.The Lion King	Disney	1994	*266,96
2 Aladdin	Disney	1992	217.04
3 Snow White	RKO/ Disney	1937	184.93
4 Who Framed Roger Rabbit .5 101	? Disney	1988	152.78
Dalmatians	Disney	1961	152.55
6 Beauty and the Beast	Disney	1991	144.82
7 The Jungle Book	Disney	1967	135.48
8 Bambi	Disney	1942	102.80
·9 Cinderella	Disney	1949	95.55
10 Lady and the Tramp	Disney	1955	93.60
*All Disney-distribu	sted films an	e also croda	aced by

Dissey except "Who Framed Ringer Rabbit?", a joint production of Disney and Ambin Entertainment. Disney's "Snow White" was first released through PIKO.

TBox office gross receipts in the United States and Canada. Figures for films released before 1970 are partly estimates based on rental receipts. Figures are not adjusted for inflation; as a result they lend ate grosses of older films compared with recent ones.

Source: Exhibitor Company





In some ways, the animation husiness has ecome easier in recent years, as computers have at the cost of film animation and the proliferation. The Geffen-Katzenberg-Spielberg studio become easier in recent years, as computers have cut the cost of film animation and the proliferation of video cassette recorders fed children's voracious appetites for home videos. That makes even some box-office flops profitable.

But talent remains a precious commodity. and the race by studios into film animation is already creating shortages of animators, whose salaries have soared by \$200 or more a week in the last year to an average of \$1,800 to \$2,200.

"Everyone who has any experience is working," said Steven Hulett. of the Motion Picture Screen Cartoonists union, which represents 1.700 animation writers and artists, up from 700 in 1989. "Warner Brothers is baving trou-

may have more recruiting clout. Katzenberg, an animation fanatic, spent hours in the screening room and personally recruited composers for Disney's animations.

"Katzenberg will pull a lot of talent from Disney." said Hulett, who spent 10 years at the company as an animation writer and whose father was an artist there from 1938 to 1974. "A lot of people feel tremendous admiration and allegiance to him."

While Spielberg's last two animated releases were box-office disappointments, his studio is considered by the industry to be the only suc-cess hesides Disney. And it was Spielberg's "Who Framed Roger Rahbit?" in 1988, fol-lowed by Disney's "Little Mermaid" a year

later, that changed the standards of animation.

Disney's feature animation division has grown to 1,000 people from 150 in 1984, when Katzenberg and Eisner came aboard and carefully crafted the operation into the engine behind earnings growth companywide, keeping the theme parks and retail stores filled with fresh characters, and keeping licensing royal. ties flowing in.

Disney says most of the company's anima. tors are tied to contracts and are too absorbed in upcoming projects — "Pocahentas" for next year and the "Hunchback of Notre Dame" for the year after - to think about leaving. But others say that many three- and four-year con-tracts are close to expiring and that some artists are waiting to see what develops before they

A brain drain may not be Disney's only threat. Though the company may be as many as five years ahead of competitors in developing proprietary software that create special effects and allow for dramatic camera angles that give viewers more film magic, many studios now use computers for time-intensive tasks like coloration, making the process more economical.

While live-action movies can be shot and released in six months or a year, each with a new crew, animated features take two years or longer and need a steady staff, which represents a heavy expense for the studio.

"This requires hundreds of people who must

work from one project to the next for a core that can turn out a consistent product," said Matt Mazer, a former Disney employee who is executive vice president of Nest Entertainment Inc. and a producer of its first animated fea-ture, "The Swan Princess," which will be re-

leased before Thanksgiving.
Yet some executives wonder where all these projects will wind up. Building a cobesive team capable of producing films like "The Lion King" will take five years or longer. And by that time the baby boomlet driving the demand for animation may be more in the mood for movies like "American Graffiti" and "Animal

"The market for animation won't die, but growth will slow over the next five years," predicted Tom Pollock, chairman of Universal

Yet as Mazer notes: "Even if every major studio puts out one of these a year, and even Disney has trouble doing that, the demand wouldn't be satisfied. Every year, 300 to 400 films are put out there and in 1992, only nine of them were PG-rated. Kids and parents want more variety."

WEATHER

| Today | Tomorrow | High | Low | W | Low | High | High

Oceania

Forecast (or Thursd	ay through Saturday, as pro	ovided by Accu-Weather.	Asia	
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Jesstream 200	soasanable	Heavy Rain E E Sintu	Africa	
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ended Allanta to Phila phia will be warm with a	tow by from Pans to Londo	on clouds shift out to see	NORTH A	m
passing chowers Thurs The Western states will I tranquit, mild weather.	tay. Thursday into Friday, Rai ave laced gales will built Belfast, Dubin and Glasgo ato the coming weekend	et across northern Luzon wa	h Atlanta	

tranquil, mild weather. Belfast, Dubl						n and Glasgo ng weekend				and h		
Middle	East						Latin Am	erica	,			
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Colina	25/77	19 66	DC	31 /88	17:62		Caracas	23.84	20/68	DC	9.84	20.458
Damagous	20.68	11/52	pc	26.79	11/52	•	Lime	18/64	18461	pc	9.66	16-61
Jorusalom	22.71	15-53	50	26.779	16/61	4	Meroco Cey	22.71	13 55	bc	24/75	13/56
Liner	32/89	19/66		37/98	10/61		Pio do Janeiro	27/80	21/70	3	27/80	21/70
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3	Bastan	18/64	10/50	c	19/66	11/52	sh
	Chicago	19466	9'48	0	16/61	7:44	pc
	Danwer	17762	3/37	ī	18/86	3/37	9
_	Detro4	19/88	12/53	371	17.62	0/46	50
	Honolulu	31/86	24/75	DC	31/88	25/77	pc
-	Houston	28,92	21/70	pc	28.83	18/64	60
	Los Angeles	27/80	18:64		26/79	15/59	pc
	Miami	29.84	22/71	pc	23/64	23/73	DC
	Minneapolls	14/57	5/41	i	13.55	5/41	DC
	Montreal	18/61	4/39		13/55	4/39	581
	Necessary	31/86	23/73	pc	31768	24/75	pc
	New York	21,70	12/53	pc	21/70	11/52	611
	Phoene	28 482	14/57		32/B3	18/61	•
	San Fran	19766	11/52	pc	21/70	11/52	pc
	Soutte	13/55	8/46	sh	14/57	9/48	sh
	Toronto	17/62	4/38	sh	15/59	4/39	ρħ
ı	Washington	23/73	12/53	рc	22/71	11/52	sh:

High Low

PEOPLE



'RED' WINS - The Polish director Krzysztof Kieslowski's "Red" has won the top award at the Vancouver International Film Festival.

F ANS of The Eagles will be able to check out a renovated "Hotel California" and other tunes despite the band's postponed tour with the release next month of the group's new album, "Hell Freezes Over." Most of the 14 tunes were recorded last spring for an MTV performance, to be broadcast for the first time Oct. 26. The MTV concert marked the first time Don Healey, Glenn Frey, Don Felder, Joe Walsh and Timothy B. Schmit bad performed together in 14 years.

Two members of ABBA, the 1970s pop group, are producing a musical about a poor Swedish family that emigrated to the United States in the 19th century. Benny Andersson, 47, and Bjorn Ulvaeus, 49, are said to be casting the main roles for the show, which is expected to open in Sweden in a year.

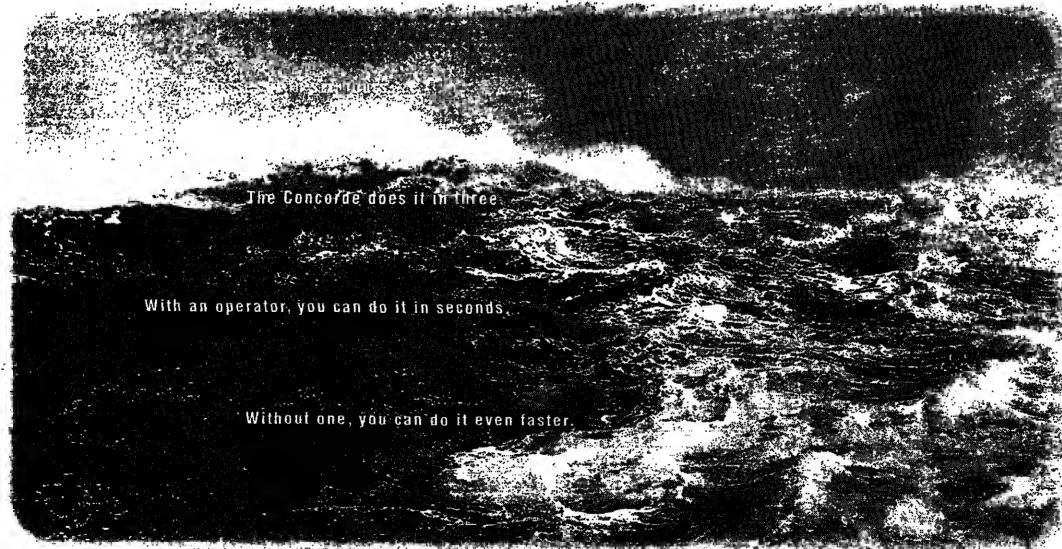
The former Soviet President Mikhail S. Gorbachev is shaking the branches in Hollywood to benefit Green Cross International, the environmental organization he founded in 1993. At a lunebeon, Gorbachev spelled out the organization's purpose to 60 entertainment and husiness leaders, including Barbra Streisand and Ted Turner. "Today, nature is taking its revenge for mankind's mistreatment of it,"

Madonna desperately wants to have a

haby, or so she tells the comedian Ruby Wax in a BBC interview. The entertainer also says she may bave struck it lucky and found her perfect partner at last. The BBC is saving the details for the broadcast this weekend.

John Wayne Bobbitt is to work as a stripper in a gay nightclub in Fort Lauderdale, according to the Miami Herald. Bobbitt, whose penis was surgically reattached after it was cut off by his then-wife, bas started recently in a dirty movie and served two brief jail terms for beating up his girlfriend.

The director Michael Ritchie is looking for unknown actors to play the young people in the film version of "The Fantasticks," the off-Broadway theater legend that has run in New York since 1960.



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